

Rocky Mount Affordable Housing Strategic Plan



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ROCKY MOUNT, NC

THE CENTER OF IT ALL

Purpose

The purpose of this affordable housing strategic plan is to create a menu of potential options to address the absence of affordable housing in Rocky Mount, North Carolina. This plan researches and incorporates the policies, strategies, and solutions employed by the cities of Asheville, Charlotte, and Wilmington by documenting their endeavors to resolve affordable housing crises; and explores the feasibility of those proposals for the City of Rocky Mount. Provided these solutions are deemed viable for the city, they serve as the template for creating new affordable housing opportunities, preserving and rehabilitating existing housing stock, and improving the homeownership and rental marketplace.

VISION

To excel in municipal service, performance, and innovation.

MISSION

To advance community well-being, safety, and quality of life
by delivering excellent municipal services.

Executive Summary

Current Progress with Affordable Housing

Rocky Mount is working to resolve its current housing deficit. The city simplified its permitting process by creating a one-stop shop for residential and commercial developers, expanded Business and Collections Services as a stand-alone department to better accommodate residents from a customer service perspective, revised its foreclosure policy for vacant and abandoned housing, amended its accessory dwelling units policy, and created a Workforce Housing Advisory Commission (WHAC) to increase neighborhood communication with city officials.

Over the past 5 years, the city has worked closely with the community non-profits like the Rocky Mount Edgecombe Community Development Corporation (RMECDC) and the Redevelopment Commission (RDC) to provide low-to-moderate income residents opportunities for affordable housing. Specifically, the city joined with the RMECDC on the Holly Street Neighborhood Revitalization Project Phase I and II (12 units), the Genesis Estates (2 single-family units), and the Harambee Square Apartments (24 units). The city, in collaboration with the RDC, focused on developing neighborhoods closer to downtown with the completion of the Beal Street Square Apartments (80 units) and the third phase of the Holly Street Neighborhood Revitalization Project (4 units).

Furthermore, the city has collaborated with the Rocky Mount Housing Authority (RMHA) and their nonprofit arm, the South Eastern North Carolina Community Development Corporation (SENCCDC) to provide down payment assistance, homebuyer education, and provide affordable housing opportunities like assistance with the development of MS Hayworth Court (8 units), the Vance Street Homes (8 units) and Russell-Jackson Village (8 units).

In 2006, the City of Rocky Mount established the Housing Incentive Grant Program to provide support to community organizations and agencies involved in improving housing conditions or supplying affordable housing to the residents of Rocky Mount's historically underserved and inner-city neighborhoods. In 2020, City Council increased the grant program's funding to \$500,000, up from the original allocation of \$150,000. The program was expanded to include local developers and projects were evaluated by the return of investment and the amount of units created. Public funds are used to incentivize development leading to further investment from the private sector. The review and selection process of choosing awardees is performed by a City Council subcommittee.

The city has also partnered with non-profit and for-profit developers to increase the affordable housing supply. A partnership with The Woda Group led to the development of the Ravenwood Crossing Apartments (60 units) in 2019. A partnership with the Greater Joy CDC led to the rehabilitation of Starling Way (12 units) and the East Grand Apartments (16 units), but properties are privately-owned but will be offering affordable housing to qualifying residents.

Over the past 5 years, more than \$4 million has been spent on multi-family and other housing development projects in Rocky Mount. This number includes \$1.4 million in General Funds, \$2.1 million in HOME Funds, 634K in CDBG funds, and 490K in NSP Funds. This funding has led to:

- 202 multi-family housing units and 2 single-family housing units were built.
- 107 multi-family housing units and 1 single-family housing unit received rehabilitation.

- 13 multi-family housing units and five single-family housing units are pending rehabilitation.
- 8 single-family units are pending construction.

For FY 2021, the Housing Incentive Grant Program was awarded to five recipients: two house renovations, Grandma's House LLC, aFreshnewStart LLC, and the Summer Apartments. Grandma's House is a joint public/private investment for the rehabilitation of a 9-unit multi-family complex. The Summer Apartments will be rehabilitating a 4 two-bedroom apartment quadruplex in the Happy Hill neighborhood. Both projects will be reserved to provide affordable housing for the city's senior population. aFreshStart, LLC will be constructing 22 loft apartments with 3 commercial spaces, with three set aside for affordable housing in downtown Rocky Mount. The Berkshire Community Housing Renovation Project is a partnership with the Berkshire Acres Community and the city to rehab and refit one of the neighborhood's single-family housing units. While still a pilot program, both parties hope the revitalization of this unit will increase the surrounding property values, and all funds from the eventual sale will be recycled to renovate additional homes in the Berkshire community. The final awardee was 623 Branch Street is the home of an elderly woman and her disabled son reside. Extensive renovations are needed to create a safe, accessible, livable environment.

Objectives

This affordable housing plan outlines 5 key objectives to address the current and future housing needs in Rocky Mount. Each objective highlights a step towards providing adequate, safe, and sanitary housing at affordable costs for each resident.

1. Expand housing choice and access to opportunity.

2. Increase homeownership among low- to moderate-income households and members of the protected classes.
3. Improve the utility of public transit for low-income and disabled persons.
4. Strengthen fair housing enforcement and operations.
5. Increase the level of fair housing knowledge and understanding among landlords and the general public.

Goals

The affordable housing plan has set the following goals over the next ten years.

1. Increase and preserve the supply of affordable housing in the city. (250 units in 5 years)
2. Increase homeownership by 10%.

Who Needs Affordable Housing in Rocky Mount?

The needs for affordable housing are greater than ever before. Rocky Mount has around 26,000 total housing units. The annual median income (AMI) of Rocky Mount is \$57,700, which is the same AMI for both Edgecombe and Nash County. Rocky Mount has an owner-occupied housing unit rate of 51.9% and a renter-occupied housing unit rate of 48.6%. Spending over 30% of your income on housing costs qualifies the household as cost-burdened and 37.5% of households in Rocky Mount are cost-burdened. Spending over 50% of your income on housing costs qualifies the household as severely cost-burdened and 18.7% of households in Rocky Mount are severely cost-burdened. Small-related households had the highest level of cost burden among renter households and elderly households have the highest level of cost burden among owner households. Black and Latino households disproportionately had a greater need for affordable housing. While Asian households

had the greatest cost-burden, they represent a relatively smaller sample size. Black households, totaling 10,913, were most likely to suffer from being cost-burdened in Rocky Mount.

Numerically, Black households had the largest number of households with severe housing needs, with 2,640 households identified as lacking complete kitchen or plumbing facilities, suffering from overcrowding, or having a cost-burden greater than 50%.

Recommendations

1. Create a Housing Trust Fund. (Eligibility: **AMI under 80%**)
2. Create a Community Land Trust.
3. Revise the Density Bonus policy in Rocky Mount.
4. Increase Building of Multi-Family Housing near Major Transit Stations.
5. Create an Acquisition and Preservation Fund for publicly & privately owned land.
6. Eliminate the current eligibility requirement of allowing only owners, family members, and potential caregivers to occupy an Accessory Dwelling Unit.
7. Implement a Tax/ Lien Foreclosure or a Receivership program to deal with the number of dilapidated, deteriorated, or vacant houses.
8. Revise the Minimum Parking Requirements for Residential and Mixed-Use Development.
9. Pass a General Obligation Bond focusing on Affordable Housing.



East Grand Apartments, Developed by Greater Joy CDC

Current Progress in Rocky Mount

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Core Considerations

This affordable housing plan is guided by 4 key considerations as an approach to improve the housing situation in Rocky Mount.

1. **Promoting Equitable and Inclusive Housing.** The City of Rocky Mount wants to unlock the full potential of the local economy by dismantling barriers and expanding opportunities by ensuring that all marginalized and excluded groups are stakeholders in creating equal access to opportunity for everyone in the city.

2. **Maintaining Housing Affordability/Gentrification.** The City of Rocky Mount wants to increase the supply of quality affordable housing through a combination of housing assistance and reduction in overall housing-related costs through efficiency factors such as: proximity to jobs, transportation, or services; energy efficiency and resource conservation standards; or reduction in housing access barriers. Additionally, Rocky Mount desires to address the inequities and provide more resources in targeted areas without causing residents to be priced out of their homes/ neighborhoods.
3. **Reaching the Marginalized Populations of Rocky Mount.** The City of Rocky Mount wants to provide affordable and accessible housing to persons with special needs including individuals experiencing homelessness and help people sustain stable housing through support services coordinated with housing development. The City recognizes that housing is a primary component to ending homelessness.
4. **Improving Key Housing Infrastructure in Rocky Mount.** The City of Rocky Mount will coordinate any improvements or increases in the city's housing development with transportation, jobs, and services; while making efficient use of the existing land and infrastructure. Also, all potential solutions will need to take into account the feasibility of improving some of the city's aged housing stock.

Objectives

The 2018 Assessment of Fair Housing report developed five key objectives designed to overcome the barriers affecting the current and future housing needs in Rocky Mount, North Carolina. Each objective was compared with a

proposed solution to explore the viability within the city.

1. Expand housing choice and access to opportunity.
2. Increase homeownership among low-income households and members of the protected classes.
3. Improve the utility of public transit for low-income and disabled persons.
4. Strengthen fair housing enforcement and operations.

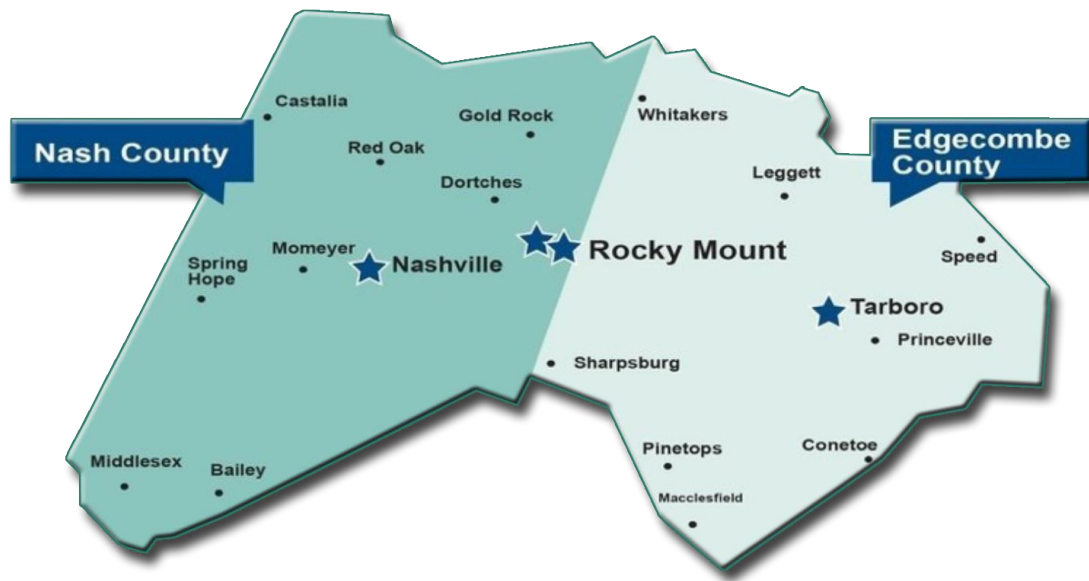
5. Increase the level of fair housing knowledge and understanding among landlords and the general public.

Goals

The affordable housing plan has set the following goals over the next ten years.

1. Increase and preserve the supply of affordable housing in the city. (250 units in 5 years)
2. Increase homeownership by 10%.

Edgecombe and Nash County at a Glance



The City of Rocky Mount sits at the center of “The Twin Counties Region”: Edgecombe and Nash. Since 2010, both counties have seen a slight decline in population with Nash County dropping from 95,840 to 94,298 (-1.6%) and Edgecombe County falling from 56,552 to 51,472 (-9.0%). Some of Edgecombe County’s decline is attributed to the aftermath of Hurricane Floyd. Much that decline stems from declining birth rates and substantial net out-migration to Wake, Pitt, and Wilson counties for better job opportunities¹². According to state demographers at the North Carolina Department of Commerce, current population projections for 2030 have Edgecombe County’s population dropping an additional 1.6% and Nash County’s population rebounding by 1.4%³.

Both counties have distinctive racial makeup. Edgecombe County is majority-black (57.8%), followed by its white population at 36.0%. Edgecombe remaining makeup includes 5.0% Hispanic or Latino, 0.8% American

Indian or Alaska Native, 0.3% Asian, and 0.1% Native Hawaiian or Other Pacific Islander. Nash County is plurality white (48.9%), followed by a black population of 41.3%. The county’s remaining makeup includes 7.4% Hispanic or Latino, 1.0% American Indian or Alaska Native, 1.0% Asian, and 0.1% Native Hawaiian or Other Pacific Islander⁴.

Housing Situation in Edgecombe and Nash County

Currently, Edgecombe County has 21,151 households and Nash County has around 37,000 households⁵. Edgecombe County has an owner-occupied housing unit rate of 59.4% and a renter-occupied housing rate of 40.6%. Nash County has an owner-occupied housing unit rate of 65.7% and a renter-occupied housing rate of 34.3%⁶. **Table 1** consists of housing stats for Edgecombe and Nash County incorporating housing stock, percentage/ number of cost-burdened households and area median income (AMI).

While the AMI for both counties is \$53,000, the income needed to afford a two-bedroom apartment in Edgecombe and Nash is \$28,720. The median household income for Nash is \$48,362, while 14.2% of Nash's population lives in poverty. On the other hand, the median household income in Edgecombe is \$35,516, with 22.9% of Edgecombe County residents residing in poverty. Thus, the average renter can afford an average rent of \$565/month in Nash county and an average rent of \$580/month in Edgecombe county⁷⁸.

Both counties in the Twin Counties Region have distinctive housing stock. Edgecombe County has a similarly aged housing to the City of Rocky Mount with 53.7% of the county's housing supply over 50 years old. Almost 15% of housing units have been built in Edgecombe since 2000. Nash County only has 38.4% of its county's housing supply aged over 50 years old and 23% of housing units have been built since 2000⁹.

Table 1: Nash and Edgecombe County Housing Stats

Nash County	Notes	Edgecombe County
\$49,537	Median Household Income*	\$36,866
43,324	Total Housing Unit Stock*	25,063
33% (12,214 households)	% of Households that are Cost-Burdened**	36% (7,664 households)
47% (6,000 households)	% of Renters that are Cost-Burdened**	43% (3,809 households)
25% (5,847 households)	% of Homeowners who have Difficulty affording their Homes**	29% (3,648 households)
54% (6,367 households)	% of Renters who have Difficulty affording their Homes**	52% (4,016 households)
\$28,840	Annual Income Needed to Afford a Two-Bedroom Apartment at FMR*	\$28,840
116	Number of Families that Faced A Foreclosure in 2018**	0
4,940	Number of Families that Faced an Eviction Filing in 2018**	2,901
\$721	Fair Market Rent, 2BR***	\$721
\$57,700	Annual AMI***	\$57,700
\$1,368	Monthly Rent Affordable at AMI***	\$1,368
12.3%	Unemployment Rate	13.2%

***Source:** U.S. Census Bureau, 2015-2019 American Community Survey 5-Year Estimates

****Source:** North Carolina Housing Coalition: Nash & Edgecombe county profiles

*****Source:** National Low-Income Housing Coalition: NC Housing Need by State

Housing Situation in Rocky Mount

Table 2: Housing Units by Structure in Rocky Mount, (Owner/ Renter-occupied)

Type of Unit	Number of Units	Percentage
1, detached	14,885	65.3%
1, attached	757	2.8%
2	1,664	6.2%
3 or 4	1,756	6.5%
5 to 9	2,173	8.1%
10 to 19	694	2.6%
20 to 49	174	2.5%
50 or more	299	0.1%
Mobile Home	1,597	6.0%
Boat, RV, van, etc.	8	0%

*Source: U.S. Census Bureau, 2015-2019 American Community Survey 5-Year Estimates

The City of Rocky Mount collaborates with the U.S. Department of Housing and Urban Development (HUD), the North Carolina Housing Finance Agency (NCHFA), Edgecombe County, Nash County, a host of local municipalities within the Down East HOME Consortium (DEHC), religious institutions, nonprofit agencies, housing developers and private sector employers to preserve, sustain and create affordable housing for low- and moderate-income residents.

Rocky Mount has around 26,000 total housing units. The median value of the city's owner-occupied housing units is \$113,100, and the median gross rent is \$793. **Table 2** shows the housing units by structure and by tenure. In 2019, 65.3% of Rocky Mount's housing units were single-family detached units and 2.8% were single-family attached units like duplexes or townhomes and 6% were mobile homes¹⁰.

The AMI of Rocky Mount is \$57,700, which is the same overall AMI for either Edgecombe or Nash County. The affordable rent for housing at AMI is \$1,368 a month, which remains consistent on the level for both counties. Minimum wage workers who earn 30% of Rocky Mount's AMI or \$16,410, affordable rent would cost \$410 per month. Since the minimum wage is \$7.25 in the state, a person earning minimum wage would have to work 76 hours, or almost two full-time jobs, to afford a modest two-bedroom rental home at Fair Market Rent (FMR)¹¹. The monthly cost of a one-bedroom at FMR is \$555, meaning a person needs to earn a hourly wage of \$10.67 and the average renter wage in Rocky Mount is \$11.33. **Table 3** illustrates the housing and rental income numbers to afford a bedroom at Fair Market Rent in Rocky Mount. **Table 4** breaks down income by household type and percentage of households at or below the income group.

Table 3: Rocky Mount Housing and Rental Stats

Bedrooms	Annual Income Needed to Afford	Housing Wage	Fair Market Rent (FMR)	Work Hours/Week Need at Min. Wage
1-Bedroom	\$22,200	\$10.67	\$555	59
2-Bedrooms	\$28,840	\$13.87	\$721	76
3-Bedrooms	\$39,400	\$18.94	\$985	105
4-Bedrooms	\$44,200	\$21.27	\$1,106	117

*Source: National Low Income Housing Coalition- Rocky Mount MSA

<https://reports.nlihc.org/or/north-carolina>

Table 4: Households by Income Level in Rocky Mount, 2019

	Households	Percent of Households at or Below Income Group	Families	Percent of Families at or Below Income Group
Less than \$10,000	2,192	9.8%	915	6.4%
\$10,000 to \$14,999	2,058	19%	722	11.4%
\$15,000 to \$24,999	2,512	30.3%	1,433	21.4%
\$25,000 to \$34,999	2,652	42.2%	1,507	31.9%
\$35,000 to \$49,999	3,527	58%	2,318	48.1%
\$50,000 to \$74,999	3,908	75.6%	2,905	68.4%
\$75,000 to \$99,999	2,169	85.3%	1,718	80.4%
\$100,000 to \$149,999	2,210	95.2%	1,828	93.2%
\$150,000 to \$199,999	385	96.9%	355	95.7%
\$200,000 or more	647	99.8%	633	100.1%
Total households	21,968	N/A	14,334	N/A

*Source: U.S. Census Bureau, 2015-2019 American Community Survey 5-Year Estimates

Rocky Mount has 21,968 households citywide. The median household income of Rocky Mount is \$40,633 and a per capita figure of \$23,077¹².

Table 5 summarizes housing in Rocky Mount by the tenure of year built, highlighting the aging of the city's housing stock.

Table 5: Tenure by Year Structure Built and By Units in Structure

	Owner	%	Renter	%
Built 2010 or later:	99	0.4%	379	1.7%
1, detached or attached	99	0.4%	94	0.4%
2 or more units	0	0%	285	1.3%
Mobile home, boat, RV, van, etc.	0	0%	0	0%
Built 2000 to 2009:	1,848	8.3%	1,167	5.2%
1, detached or attached	1,513	6.8%	555	2.5%
2 or more units	0	0%	465	2.1%
Mobile home, boat, RV, van, etc.	335	1.5%	147	0.7%
Built 1980 to 1999:	3,294	14.8%	3,742	16.8%
1, detached or attached	2,996	13.5%	836	3.8%
2 or more units	0	0%	2,723	12.3%
Mobile home, boat, RV, van, etc.	298	1.3%	183	0.8%
Built 1960 to 1979:	3,537	15.9%	2,872	12.9%
1, detached or attached	3,425	15.4%	1,554	7%
2 or more units	8	0%	1,242	5.6%
Mobile home, boat, RV, van, etc.	104	0.5%	76	0.3%
Built 1940 to 1959:	1,879	8.4%	1,909	8.6%
1, detached or attached	1,830	8.2%	1,346	6%
2 or more units	0	0%	743	2.5%
Mobile home, boat, RV, van, etc.	49	0.2%	0	0%
Built 1939 or earlier:	619	2.8%	871	4.1%
1, detached or attached	598	2.7%	760	3.4%
2 or more units	13	0.1%	155	0.7%
Mobile home, boat, RV, van, etc.	8	0%	0	0%
Total Occupied Housing Units:	11,276	50.7%	10,984	49.3%

*Source: U.S. Census Bureau, 2015-2019 American Community Survey 5-Year Estimates

The homeownership rate in Rocky Mount is 51.9%, which is lower than the state homeownership rate of 65.3% and the national rate of 64.1¹³¹⁴. Along racial lines, 75.9% of white households own their homes. The homeownership rate drops tremendously to 48.9% and 54.4% for Black and Latino households, respectively¹⁵. This gap is on par with the state of North Carolina and the country at large. The City's southern neighborhoods have the lowest homeownership, while neighborhoods west of South Winstead Ave have

the highest homeownership rates¹⁶. Homeownership rates have dropped for the City of Rocky Mount and the Twin Counties since 2000.

Economists on and off Wall Street say the gap is problematic since homeownership is the primary means by which Americans accumulate wealth¹⁷. In the WSJ article, home equity has allowed Americans to pay for college, cover medical expenses, fund retirement, and pass on wealth to the next generation. High rates of owner occupancy create stable communities by

reducing the level of transience in the housing market. The capability to build equity and transfer household wealth to the next generation is much easier for homeowners than renters. In Rocky Mount, the neighborhoods in the south have the highest levels of renter-occupied housing, thus many residents struggle to accumulate wealth.

Another notable characteristic in Rocky Mount is the senior demographic. According to the latest “State of the Nation’s Housing 2019” report from Harvard’s Joint Center on Housing Studies, the “Housing America’s Older Adults” supplement stated the nation will experience increased population growth as more baby boomers enter retirement age and seniors continue to live longer. The nation will need to reckon with improving the country’s aged housing by refitting homes with increased accessibility provided with financial assistance. The City will need to do the same. Almost one-fifth of the population in Rocky Mount is over

the age of 65, 10% higher than the rate for North Carolina¹⁸. Also, 41% of the elderly population in the city has a disability. Households in Rocky Mount age 65 and over will become more diverse, stemming from increased Hispanic growth and modest growth among Black and Asian households, reducing the share among White households.

The city’s racial makeup was 28.8% White, 63.6% Black, 3.1% Hispanic or Latino, 0.2% American Indian or Alaska Native, 1.3% Asian, and 0.1% Native Hawaiian or Other Pacific Islander¹⁹. Dr. James Johnson, Ph.D., a William R. Kenan Professor and demographer from the University of North Carolina School of Business at the University of North Carolina at Chapel Hill, noted in a presentation to the Rocky Mount City Council that the populace’s change in ethnicity is due to white flight with a loss of 29.3% outward and a 109.4% gain in the Hispanic population inward is increases in immigration²⁰.

Examining and Addressing Homelessness

An effort to strategically address the need to expand affordable housing must include an examination of our local homelessness situation. As a major urban area, Rocky Mount does possess a homeless population, especially in the Downtown section of the City. According to the 2020 “Point in Time Count” by the North Carolina Balance Continuum of Care, which serves as an annual localized census of the homeless population, there were 100 homeless individuals in the Twin Counties, mostly based in Rocky Mount. Of these, 27 were children (under age 18). This census likely underestimates the size of the total homeless population, which would also include families and individuals unable to be counted as well as those living in short-term housing like local hotels and motels.

Services for the homeless in Rocky Mount are provided by the nonprofit United

Community Ministries. This organization operates two shelters, a family shelter (Bassett Center) south of Downtown in Edgecombe County, and a shelter for individuals inside the Central City in Nash County. City Council has supported United Community Ministries annually through an appropriation from the General Fund since Fiscal Year 2013. For Fiscal Year 2021, the appropriation was \$30,000.

Along with sheltering, United Community Ministries also provides food distribution, clothing assistance, crisis response assistance, and life skills training. They instituted a new “Road to Self-Sufficiency” program in 2020 to help Bassett Center resident families overcome obstacles to safe and affordable permanent housing, which includes financial assistance to address past due payments, security deposits, childcare, and transportation.

Rocky Mount as a whole needs to do more to address the issues facing our local homeless population and provide better

opportunities and assistance to help them transition into stable permanent environments. This includes access to safe affordable housing.

Who Needs Affordable Housing in Rocky Mount?

The needs for affordable housing are greater than ever before. Rocky Mount has an owner-occupied housing unit rate of 51.9% and a renter-occupied housing unit rate of 48.6%. Nearly 40% of households spend more than 30% of their income on housing costs and 18.7% of households spend over 50%. In the City of Rocky Mount and the Down East HOME Consortium 2018-2021 Three Year Consolidated Plan, small-related households had the highest level of cost burden among renter households and elderly households had the highest level of cost burden among owner households. While all racial/ ethnic minority groups disproportionately face housing cost problems in Rocky Mount, Black and Latino households disproportionately had a greater need for affordable housing. While Asian households had the greatest cost-burden, they represent a relatively smaller sample size. Black households, totaling 10,913, were most likely to suffer from being cost-burdened in Rocky Mount. Numerically, Black households had the largest number of households with severe housing needs, with 2,640 households identified as lacking complete kitchen or plumbing facilities, suffering from overcrowding, or having

Many households in Rocky Mount must make a tradeoff between living in areas with low poverty and strong school performance or living in areas with access to employment, goods and services, and lower housing costs. **Table 6** reveals 2020 income limits for City of Rocky Mount based on household size through AMI calculated through HUD. This table looks at 1) the “extremely low” category of 30%; the “very low” category of 50%; and the “low” category of 80% of AMI. Finally, the table includes the income limit for a potential housing trust fund using HUD’s estimate for AMI. **Table 7** summarizes income distribution of Rocky Mount households in 2018. Around one-fifth (20%) of households in Rocky Mount earn below \$20,000 qualifying as cost-burdened.

Residents state the need for more senior housing. Elderly persons are more likely to live on fixed incomes, very low incomes, or require special assistance for daily living. These residents need affordable housing options and easy access to service providers²¹. There are long waiting lists for affordable housing for elderly and there is a lack of affordable units in the neighborhoods where seniors currently live. A majority of these neighborhoods are predominately Black²².

Table 6: FY 2020 Rocky Mount AMI Income Limits by Household Size

AMI Levels	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
30% of AMI	\$12,760	\$17,240	\$21,720	\$26,200	\$30,680	\$33,700	\$36,050	\$38,350
50% of AMI	\$20,350	\$23,250	\$26,150	\$29,050	\$31,400	\$33,700	\$36,050	\$38,350
80% of AMI	\$32,550	\$37,200	\$41,850	\$46,500	\$50,250	\$53,950	\$57,700	\$61,400
100% of AMI	\$40,700	\$46,500	\$52,300	\$58,100	\$62,800	\$67,400	\$72,100	\$76,700
HTF Limits	\$12,490	\$16,910	\$21,330	\$25,750	\$30,170	\$34,590	\$39,010	\$43,430

*Source: U.S. Department of Housing and Urban Development (HUD) Estimate for Area Median Income

Table 7: Rocky Mount Tenure by Household Income in the Past 12 Months (Owner & Rental)

Annual Household Income	Number of Households	Percent of Households	Cumulative Percent
Less than \$5,000	901	4.1%	4.1%
\$5,000 to \$9,999	1,291	5.8%	9.9%
\$10,000 to \$14,999	2,058	9.2%	19.1%
\$15,000 to \$19,999	1,311	5.9%	25%
\$20,000 to \$24,999	1,201	5.4%	30.4%
\$25,000 to \$34,999	2,652	12.5%	42.9%
\$35,000 to \$49,999	3,527	15.9%	58.8%
\$50,000 to \$74,999	3,908	17.6%	76.4%
\$75,000 to \$99,999	2,169	9.8%	86.2%
\$100,000 to \$149,999	2,210	9.9%	96.1%
\$150,000 or more	1032	4.7%	100.8
Total	22,260	100%	--

*Source: U.S. Census Bureau, 2015-2019 American Community Survey 5-Year Estimates

All residents seek to live in areas with increased pathways to opportunity. Such opportunity is especially difficult for low-and-moderate-income working households who are impacted by higher housing costs and/or higher commutes to work. **Table 8** summarizes the impact calculating growth in cost-burdened households. Significantly, 84% of all households in Rocky Mount earning less than

\$20,000 are cost-burdened. Households paying an amount greater than 30% have less income for other necessities like food, education, clothing, utilities, childcare, and healthcare. Those households also have less money to save for potential future repairs and emergencies.

Table 9 explains the amount of gross rent per household in Rocky Mount.

Table 9: Gross Rent as a Percentage of Household Income

Occupied Units Paying Rent	9787
Less than 10.0 percent	3.7%
10.0 to 14.9 percent	8.1%
15.0 to 19.9 percent	9.4%
20.0 to 24.9 percent	14.3%
25.0 to 30.0 percent	10.1%
30.0 to 34.9 percent	9.2%
35.0 to 39.9 percent	7.7%
40.0 to 49.9 percent	7.1%
50.0 percent or more	23.3%
Not Computed	7.2%

*Source: U.S. Census Bureau, 2015-2019 American Community Survey 5-Year Estimates

Table 8: Rocky Mount Housing Costs as a Percentage of Household Income

Income Percentage	Total Households	Owner-Occupied Households	Renter-Occupied Households
Total:	22,260	11,276	10,984
Less than \$20,000:	4,954	1,381	3,573
Less than 20 percent	279	141	138
20 to 29 percent	508	93	415
30 percent or more	4,167	1,147	3,020
Percent cost-burdened	84%	83%	85%
\$20,000 to \$34,999:	3,744	1,572	2,172
Less than 20 percent	432	347	85
20 to 29 percent	853	342	511
30 percent or more	2,459	883	1,576
Percent cost-burdened	66%	56%	73%
\$35,000 to \$49,999:	3,432	1,659	1,773
Less than 20 percent	851	595	256
20 to 29 percent	1,631	631	1,000
30 percent or more	950	433	517
Percent cost-burdened	28%	26%	29%
\$50,000 to \$74,999:	3,867	2,356	1,511
Less than 20 percent	2,088	1,386	702
20 to 29 percent	1,286	559	727
30 percent or more	493	411	82
Percent cost-burdened	13%	17%	5%
\$75,000 or more:	5,386	4,222	1,164
Less than 20 percent	4,680	3,536	1,144
20 to 29 percent	599	579	20
30 percent or more	107	107	0
Percent cost-burdened	2%	3%	0%
Zero or negative income	405	86	319
No cash rent	472	0	472

*Source: U.S. Census Bureau, 2015-2019 American Community Survey 5-Year Estimates

Background

The City of Rocky Mount is located in the coastal plains of Eastern North Carolina and divided between two counties: Edgecombe and Nash. Rocky Mount stands as the largest municipality in either county, accounting for 38% of their combined population. The southern and eastern part of the city lies along the train tracks in Edgecombe County, while the area north and west of the tracks rest squarely in Nash County. Rocky Mount covers a geographic area of 44.2 sq. mi., including the famous Tar River where the city derives its name from.

The current population of Rocky Mount is 54,548²³. Since 2010, the city's population has decreased by 6.5% from 57,477²⁴. That accelerated decline contrasts to the previous decade when the Rocky Mount population largely remained stagnant with a 0.6% decrease. This migration shift reflects a growing statewide trend as citizens relocate away from the rural eastern counties of North Carolina westward to thriving areas like the Triangle and Piedmont for more desirable employment and quality life amenities. The urban, suburban, and recreational amenity-rich counties of North Carolina are witnessing rapid population growth while most of the eastern counties and some western counties bordering Tennessee are experiencing stagnation, and in some cases, population declines²⁵.

In Rocky Mount, a significant decrease in the population emanates from its prime-working age population of 25 to 44 departing from the region. The city's primary growth stems from a rise in the 65+ senior population²⁶. The influx of inward migrations to Rocky Mount are seniors or retirees with disposable incomes from counties like Cumberland, Franklin, and Halifax. Often these incoming migrants are looking to downsize their living expenses in retirement and retain incomes below the local median levels of the existing populace²⁷.

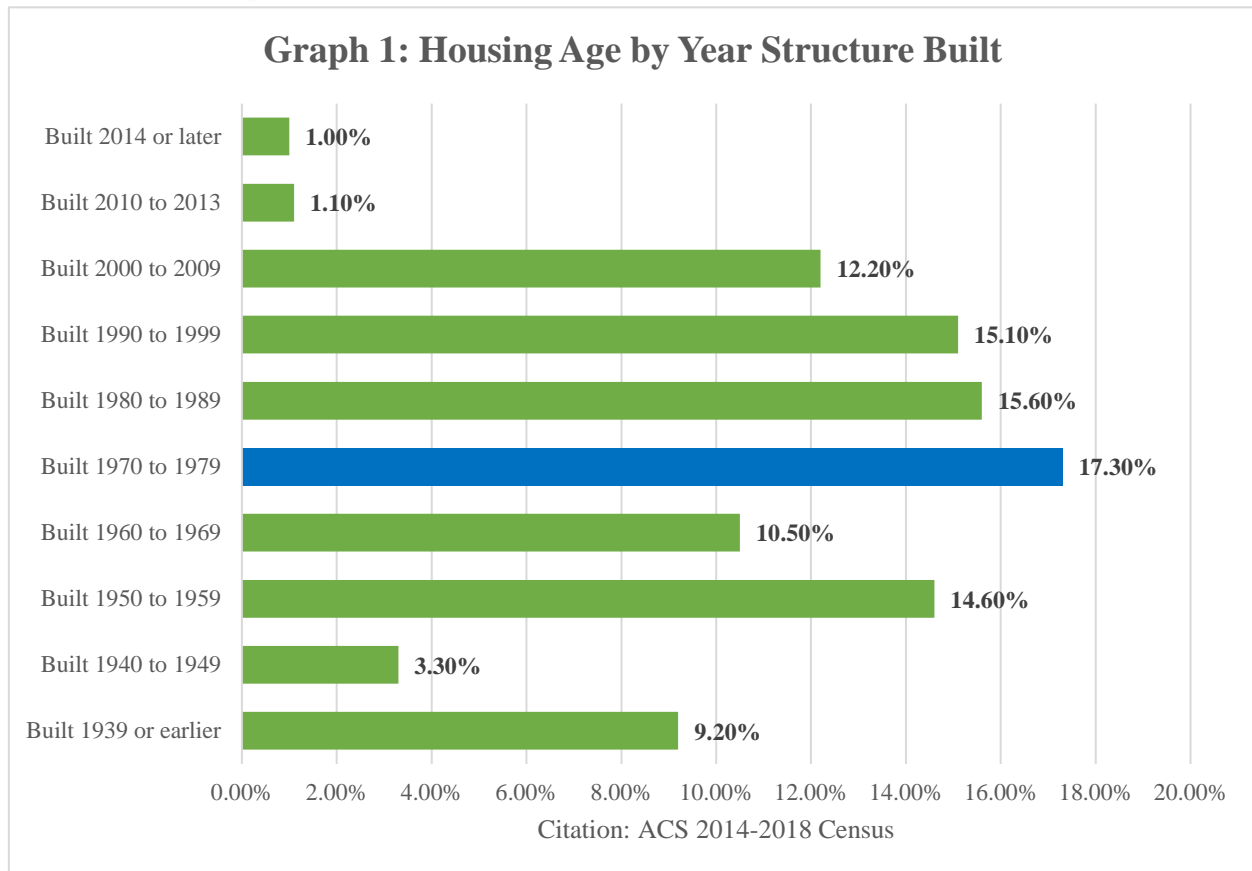
The remaining population of Rocky Mount and The Twin Counties skews older in comparison to the rest of the state and country. The median age in Rocky Mount is 42.1, around four years older than the state (38.9) or nationally (38.2)²⁸. Nearly 40% of the local population is aged over 50; the local age-dependent is 66.4%, higher than the state (60.9%) and national age level (60.8%).

Communities with significant older populations can have a long-lasting impact on the local tax base due to residents with fixed incomes devoting a portion of their earnings to medical expenses or long-term care. An aging populace could have huge ramifications for a municipality's workforce and housing market depending on whether residents want to age in their homes, downsize to smaller houses, move-in with family members, or need supportive assistance for themselves or their families. **Thus, the construction of senior housing options like continuing care retirement communities, nursing homes, or assisted living facilities to accommodate an increasingly aging population**²⁹.

The city's housing stock has aged similar to its population. According to the U.S. Census, 52.5% of Rocky Mount's housing supply was built before 1970. Another 16% was built before 1980. The city's housing stock has a mean neighborhood age of 45.9 years. Several of the older residential housing units still contain tin or metal roofs, inefficient windows or doors, poor drainage and waterproofing, poor insulation, foundational issues; outdated electrical systems; lack of central heat and air-conditioning, failing plumbing, or antiquated kitchens. Some older homes even place residents at risk for serious, negative health conditions—due to exposure to hazards like lead, asbestos, or mold. Older homes are also susceptible to infestation ranging from termites, insects, and rodents. As houses

continue to age, a lack of continuous maintenance can lead to serious damage to the structural integrity of a home³⁰. Just 14% of Rocky Mount’s housing infrastructure has been built since 2000 compared to the state which has

constructed double (27.6%) the amount of housing infrastructure since 2000. **Graph 1** showcases the city’s housing supply by year of construction from 1939 to present.



Defining “Affordable Housing”

Housing is affordable when no more than 30% of household's annual budget is spent on a mortgage, rent payments, utilities, housing insurance, and/or property taxes^{31,32}. Keeping housing costs below 30% of income is intended to ensure households have enough money to pay for other non-discretionary costs like food, clothing, and medical care. When confronted with high living costs, families make tradeoffs. For example, choosing to live in cheaper housing further away from place of employment leading to potentially longer commutes.

Families that spend more than 30% of their budget on housing costs are considered cost-burdened. Families that spend more than

50% of their budget on housing costs are considered severely cost-burdened. **In the City of Rocky Mount, 37.5% of the households are cost-burdened, while 18.7% of households are considered severely cost-burdened³³.** All non-white racial and ethnic groups disproportionately experience greater housing problems, for both renters and owners combined³⁴.

Concentration of Poverty

Poverty status remains an issue in Rocky Mount. Of the city’s total population, 10,259 residents or 21% had an income in the preceding twelve months that was below the federal poverty line³⁵. Around 16% of all residents are on limited incomes ranging from Social Security, supplemental social security, and public

assistance. Over 30% of families with children under 18 live below the poverty line and 26.4% are female-headed families with children. The largest demographic living in poverty in Rocky Mount are female-led households aged 25 - 34, followed by female-led households aged 18 – 24, and then female-led households aged 45 - 54³⁶. Presently, Rocky Mount attempts to prevent homelessness or help people suffering from chronic homelessness through increasing the availability of affordable housing and providing financial support to various churches, agencies and non-profit organizations.

Rocky Mount has identified several barriers with a negative effect on resolving the city's housing affordability problem³⁷:

1. **The high costs of housing created by rising land, construction, and infrastructure costs.** (There is an increased need for affordable housing and market-rate housing.)
2. **Location and type of affordable housing.** (The majority of affordable housing units are located in the southern neighborhoods of the City of Rocky Mount.)
3. **Access to opportunity for residents with lower incomes.** (There are very limited affordable supportive housing programs available in the Rocky Mount region.)
4. **Distressed assets, vacancy, and blight remain entrenched in the city.** (Instances of blighted and/or vacant properties are particularly high in Rocky Mount. These conditions discourage private investment and have a negative impact on the daily lives of residents in these neighborhoods.)
5. **The availability, type, frequency, and reliability of public transportation.** (While

Rocky Mount provides transportation through the Tar River Transport, hours of service are limited outside of a traditional 9-5. Access to decent employment is one of the most effective pathways to increased opportunities for low-income families.)

6. **The availability of affordable housing units in a range of varying sizes.** (Large families (5 or more people) and nonfamily households also experience higher rates of housing problems. These facts indicate a disproportionate need for housing assistance for both large families with children and small (i.e. single person) households compared to other household types.)
7. **Lack of community revitalization strategies.** (Rocky Mount can explore programs and tools to explore better community revitalization, such as a general obligation bond for affordable housing rehabilitation, construction, and homeownership assistance; inclusionary zoning and affordable housing set-asides; multi-family tax-abatements; and targeted code enforcement.)

Long term neglect of some neighborhoods in Southeast Rocky Mount has made them more vulnerable to gentrification, much to the dismay of some citizens of those neighborhoods. Several residents and community groups in Rocky Mount have grown concerned about potential residential displacement and have advocated for the city officials to support responsible development that does not negatively alter the existing composition of their neighborhoods and communities.

Affordable Housing in the Context of COVID-19

Before the COVID-19 pandemic struck the U.S. in March of 2020, locating proper affordable housing was a challenge for working families. As the nation strives for a return to normalcy, finding quality affordable housing is increasingly challenging. The impact from the coronavirus has taken a massive toll on the U.S. economy and adversely affected the budgets of states and municipalities. The continual rise in COVID cases and hospitalizations (as of this writing) has resulted in increased unemployment and closures of schools and small businesses alike, the impact has hardest hit some of our most vulnerable populations: minority groups, immigrants, and seniors. Before the pandemic, these vulnerable groups were most likely affected by the housing crisis. People living in poor-quality, overcrowded, or unstable housing—or without any home at all—saw their problems further exacerbated by those who employment qualified them as “essential workers”. Essential workers in overcrowded or unstable housing cannot follow or afford to follow public health

directives to safely “shelter in place” or isolate if infected. As a result, they are at a far greater risk of contracting the virus, along with other chronic illnesses leading to greater health problems³⁸.

While the impact of these consequences of COVID-19 will further exacerbate the current affordable housing crisis, both the State of North Carolina and the City of Rocky Mount undertook temporary measures to alleviate the financial strain on families. North Carolina implemented a moratorium on evictions and prohibited utility shutoffs. Rocky Mount passed its own moratorium of utility collections, too. The pandemic and subsequent recovery revealed how precarious the housing situation remains today and how easily people can find themselves without a stable home. Over the long term, state and local governments will need continued planning resources to strengthen the recovery for distressed populations.

Rocky Mount Housing-related Boards and Commissions

The Board of Adjustment- Hears and decides appeals and reviews any order, requirement, or determination made in the enforcement of the City's Land Development Code. Founded in 2006, this Board is a quasi-judicial board for ruling on appeals, variances, and special uses with the City Limits and Extraterritorial Jurisdiction (ETJ).

The Board of Adjustment comprises of 9 regular members and 4 alternate members who serve 3 years terms. City Council appoints seven regular members, one from each ward of the City, and two alternate members whose residence is within the corporate limits of the City of Rocky Mount. The Board of Commissioners of Nash and Edgecombe Counties each appoint one regular member and one alternate member whose residence is within the ETJ. Members appointed by the two counties vote on matters involving their respective county. Alternate members appointed by City Council and the two counties may replace regular members of their respective counties who are absent. Alternate members are vested with the same powers as regular members when serving in place of an absent member.

Current Roster:

- Ward 1: Robert Davis
- Ward 2: Nellie B. Carmichael
- Ward 3: Carl R. Revis
- Ward 4: Vacant
- Ward 5: Benjamin E. Moore, Jr.
- Ward 6: Mark Osterhout
- Ward 7: William M. Jones (Chair)
- City Alternate members (2): George Patrick Zammiello, Jr. and Vacant.
- The Nash County & Edgecombe County regular and alternate member seats are vacant.

The Central City Revitalization Panel (CCRP)- Governing body responsible for creating and overseeing the committees necessary to implement the Downtown Rocky Mount work plan. Created in 2000, the panel meets to discuss utilizing financial incentives to encourage improvements and preservation within the central city boundaries of the City of Rocky Mount.

The CCRP is appointed by the Mayor and City Council and consists of 10 members who serve 3-year staggered terms. The Downtown Development Manager and the Director of Development Services (or a member of the Department of Development Services) shall serve on the Central City Revitalization Panel by virtue of their staff positions.

Current Roster:

- Central City Property Owner: Garland Jones (Chair)
- Central City Business Owner: Virginia D. Davis
- A member of Downtown Renaissance, Inc.: Chris C. Miller
- A member of the Rocky Mount Historic Preservation Commission: Roslyn J. Haynes
- A builder and/ or developer of commercial property: Jesse Gerstl
- At-Large member: Jean Almand Kitchin,
- At-Large member: Dennis Barnes
- At-Large member: Dr. Antwan Lofton
- At-Large member: Charles Roberson
- At-Large member: Tarrick Pittman
- At-Large member: David Joyner
- Ex-Officio: David Faris

The Community Appeals Board- Hears and decides appeals resulting from any decision or order of the Housing Code Inspector. Created in 2011, the appeals board derives its power from Chapter 4 entitled “ANIMALS,” Chapter 10 entitled “HEALTH, SANITATION AND NUISANCES” or Chapter 11 entitled “HOUSING CODE” of the City of Rocky Mount Code. Any hearing must give reasonable time for all appeals, give due notice to all parties. If the aggrieved party is dissatisfied with a decision by the Board, they can petition the Superior Court for a restraining order within 15 days of the Board’s decision.

The Appeals Board consists of 7 members with each Council member appointing one member who is a resident of their ward. Members serve 3-year staggered terms.

Current Roster:

- Ward 1: Troy Davis
- Ward 2: Georgia Person Davis
- Ward 3: Darlene Spencer-Harris
- Ward 4: Vacant
- Ward 5: Judy M. Verdejo
- Ward 6: David Durgin (Chair)
- Ward 7: Mark Frohman

The Historic Preservation Commission- Designed to safeguard the heritage of the City of Rocky Mount by preserving and regulating historic landmarks and historic districts; (2) to enhance the environmental quality of neighborhoods; (3) to establish and improve property values; and (4) to foster economic development. Formed in 1997, the members of the Commission are residents of Rocky Mount serving as lead authority to compile an inventory of significant properties, designate landmarks and historic districts, promote preservation efforts, and review Certificates of Appropriateness (COA) applications for the proposed alterations, demolitions, or new construction within local historic districts, or of designated local landmarks.

The Commission includes 9 members appointed by the Mayor and City Council, serving 4-year staggered terms. Additionally, the Council has the option to appoint ex-officio members who have special interest, experience, or education in history, architecture, archaeology, or related fields. All voting members shall reside within the planning and zoning jurisdiction of Rocky Mount.

Current Roster:

- Josie B. Davis
- Roslyn Haynes
- David Michael Latham (Chairperson)
- Hap Turner
- Bianca Davis
- Philip Viverette
- John Mebane
- Raymond Gantt, Jr.
- Samuel W. Johnson (Vice-Chairperson)

Rocky Mount Housing Authority Board (RMHA)- The governing body accountable for the legal and financial responsibilities and maintains oversight over the Housing Authority's performance. Established in 1943, the RMHA serves with the express purpose of providing decent, safe, and sanitary low rent housing for low-income families who cannot afford private housing. There are four components or "businesses" that make up the housing authority:

1. Managing residential rental property
2. Developing real estate
3. Fostering human and community development
4. Implementing government shelter programs

The Housing Authority maintains 756 rental units, 305 Section 8 Vouchers, 2 Single family units and 40 Section 8 multi-family units.

The Housing Authority Board is comprised of 5 members who are appointed by the Mayor to serve 5-year terms. The terms are staggered in such a manner that 2 terms expire each year. An Executive Director is appointed by the Commissioners of the Housing Authority for the administrative responsibilities.

Current Roster:

- Kelvin L. Macklin, Chief Executive Director
- Kelly Hazelwood Shore (Chairman)
- Russell Jackson
- Dennis O. Lyons
- Paul S. Jaber
- William Solomon, Sr. (Vice-Chairman)
- Lea Henry
- Vacant

The Planning Board- Established in 1947 to conduct a comprehensive and continuing program to direct the community's growth along civic lines and establish principles and policies for guiding development in the City of Rocky Mount and the City's extraterritorial planning and zoning areas in Nash and Edgecombe Counties. The Planning Board receives plans from the Development Services department for the systematic development and betterment of the city. Under the local ordinance, before any final action shall be taken by the city or any department concerning the location and design of any public building, memorial park, parkway, boulevard, new street, alley or bridge, the proposal, project, or improvement shall be submitted to the planning board for investigation and report to the city council. Council then votes to approve or deny the request at the appropriate council meeting.

The Planning Board is comprised of 9 members who serve 3-year terms. City Council appoints 7 members, one from each ward, who reside within the corporate limits of the City of Rocky Mount. The Board of Commissioners for Nash and Edgecombe counties each appoint 1 member who resides within the extraterritorial jurisdiction of the respective counties. A member appointed by the respective county may only vote on those matters involving the appointing county.

Current Roster:

- Ward 1: Clara H. Knight
- Ward 2: James Robert Davis
- Ward 3: Johnnie Mayo, Jr.
- Ward 4: Monika Underhill
- Ward 5: Janie Mac Pittman
- Ward 6: Matthew P. Sperati (Chairperson)
- Ward 7: Robert D. Hudkins
- Edgecombe and Nash County ETJ seats:
Vacant

The Redevelopment Commission (RDC)- Exists and operates for the public purpose of acquiring and replanning blighted areas within the City of Rocky Mount and holding or disposing of properties in such a manner that they become available for economically and socially sound development. The RDC may undertake non-residential redevelopment in accordance with sound and approved plans and may undertake the rehabilitation, conservation, and reconditioning of areas where, in the absence of action, a clear and present danger exists that the same will become blighted. The RDC may prepare redevelopment plans and has the powers and is subject to the limitations contained in Article 22, Chapter 160A of the General Statutes of North Carolina.

The goal of the RDC is to support the Southeast Rocky Mount and Around the Wye community and assist in the efforts to improve housing conditions for current residents while creating viable new construction to reduce vacancy and reduce overall blight of the neighborhood. These areas were selected

because their closeness to ongoing development in Downtown Rocky Mount and inconsistent focus. Through commercial development and public/ private partnerships, the RDC strives to support current residents and entice new residents and businesses to work, live and play in the Southeast Rocky Mount and Around the Wye community.

The Commission is composed of 9 members who are appointed by the Mayor and City Council of the City of Rocky Mount to serve 5-year staggered terms, with three terms expiring each year.

Current Roster:

- James Mills, Jr.
- Hubert D. Pope
- Bronson Williams
- Steve Deloach
- Elaine H. Courcelles
- Gloria R. Downing
- Andrew Votipka
- Kay T. Thomas



Lexington Rose Place Apartments, developed by MF Triangle

The Workforce Housing Advisory Commission (WHAC)- Advises City Council on matters pertaining to housing challenges, opportunities and options that will result in fair, safe, and affordable housing throughout the City; minimal displacement and gentrification; and improved housing conditions in the City's underserved neighborhoods; and to implement and achieve the following:

- Prioritize fair housing needs;
- Consider fair and affordable housing policy issues, while reviewing best practices from other communities;
- Develop concrete action steps with measurable outcomes and indicators to create, implement and monitor a fair and affordable city-wide housing plan;
- Assess effectiveness of existing housing programs;
- Serve as a source of study and advocacy for the supply and demand issues of fair and affordable housing;
- Prepare recommendations for leveraging public resources to support housing priorities;
- Assist with investigation and the development of root causes and corrective actions to address the City's residential segregation patterns;
- Assess housing project proposals;
- Explore new funding opportunities;
- Identify policies and programs that encourage investment in inner city neighborhoods, but minimize or prevent displacement of people or adverse impacts related to the history, culture and quality of life in unique neighborhoods;
- Increase community education and outreach to enhance awareness, understanding, commitment and involvement in producing safe, attractive and affordable workforce housing.

Created in 2019, at the request of residents, the committee is comprised of representatives from organizations dedicated to the improvement of the quality of life in neighborhoods and to the provision of fair and affordable housing in the City including residents of underserved neighborhoods, members of faith-based organizations, developers and others with interest in the design, location, development and maintenance of fair and affordable housing.

The WHAC is comprised of no more than 13 members appointed by the City Council who reside within the corporate limits of the City of Rocky Mount and serve 3-year staggered terms. The City Council appoints 7 members, one from each ward, and the Mayor appoints 1 member. The remaining 5 members are recommended for appointment by the Housing Authority, faith-based community, a housing developer, and the business community. The Director of Community and Business Development, or their designee, attends all meetings for the purpose of furnishing information, but shall not be a member of the board.

Current Roster:

- Mayor: Max Avent
- Ward 1: Gloria Davis
- Ward 2: Sue Perry Cole (Chair)
- Ward 3: Aston Haughton
- Ward 4: Keisha Spivey
- Ward 5: Vacant
- Ward 6: Kim Eng Koo, M.D.
- Ward 7: Michael Mosley
- Housing Authority (1 Member): Kelvin L. Macklin
- Faith-Based Community (2 Members): Thomas L. Walker and Vacant
- Housing Developer (1 Member): Joyce M. Dickens
- Business Community (1 Member): Vacant

Community Partners

North Carolina Association of Community Development Corporation (NCACDC)- a statewide trade association representing the community development corporations in North Carolina. NCACDC advocates for the needs of community economic development industry and assists its membership in efforts to educate their constituents to advocate for their own community needs through public policy initiatives, advocacy, training and professional development and technical assistance. The NCACDC has developed a three-pronged approach involving advocacy, community organizing, and community economic development to achieve results for the region's residents. Currently serves almost 70 community-based organizations across the state.

Rocky Mount/Edgecombe Community Development Corporation (RMECDC)- a 501c(3) tax-exempt organization implementing a comprehensive community economic development strategy in the City of Rocky Mount of Edgecombe County. In the past, the RMECDC has addressed affordable housing development, neighborhood revitalization, blight removal, commercial development, human resource programs, homebuyer education, foreclosure mitigation counseling, small business technical assistance, job creation, technology and STEM education, community planning and development and emergency rental assistance to residents.

Southeastern North Carolina Community Development Corporation (SENCCDC)- The Rocky Mount Housing Authority (RHMA) formed a 501c(3) nonprofit named the South Eastern North Carolina Community Development Corporation (SENCCDC). The primary goal of the corporation is to create

affordable housing units and assist residents in obtaining financial self-sufficiency, education opportunities and job placement training. Since 1997, the SENCCDC has created 37 new construction rental units increasing housing availability to accommodate low-to-moderate income families. Terms for the Board of Directors range between 1 year to 3 years.

Board of Directors:

- Russell Jackson (Chairman)
- Kelly Shore (Vice-Chairman)
- Kelvin Macklin
- James Curtis
- Catherine Henderson
- Gloria Valentine Davis
- Gloria Wiggins-Hicks
- Minnie Knight
- Brenda Cutchin
- Nancy Bullard

Self-Help Credit Union- Purchased 58 properties through a partnership with the North Carolina Community Development Institute, with the purpose of transitioning those properties to affordable housing. Headquartered in Durham, NC, the purchase brought Self-Help's affordable housing and community real estate experience to Rocky Mount. The properties are a part of the Rocky Mount Revitalization Initiative, an effort to build a vibrant and economically mixed housing market by developing vacant and blighted property into high-quality affordable housing for renters and homeowners³⁹.

Twin Counties Community Academy- Launched by Sue Perry Cole, President and CEO of the NCACDC, while serving as the co-chair of the Twin Counties Visioning and Strategic Planning Process (TCVSPP); as an authentic demand approach to place-based family strengthening that can lead to

improvements in the quality of life and health in underserved neighborhoods. With the goal of improving the region's housing and health conditions, the Community Academy partnered with Legal Aid of North Carolina to promote

equal housing for all residents through The Fair Housing Act. Using the TCVSPP as a catalyst, the organization strives to be a voice for residents at decision-making tables and to the broader community.



MS Hayworth Apartments (above) and Court (below), developed by SENCDC



2020-2021 federal, state, and local funding and allocations to housing activities

CBDG- \$526K

CDBG allocated funding to housing activities:

- Homeowner rehab- \$164K
- Section 108 Loans- \$103K
- Rehab Delivery Costs- 50K

CBDG-CV (Coronavirus)- \$309K

- **Public Service- 309K**

HOME- \$312K

N.C. Housing Finance Agency- 100K

- Urgent Repair Program- forgivable loan up to \$12,500 in funding to assist with the rehabilitation of deteriorated homes owned and occupied by very low-income households..

General Funding- 500K

General Funding to housing activities:

- **City of Rocky Mount General Fund- \$125,000**
 - Housing Repair Program- forgivable loan for up to \$12,500 per homeowner to have eligible repairs for homes at least 50 years old.
- **City of Rocky Mount General Fund- \$225,000**
 - Housing Repair Matching Rebate Program- 50% matching rebate of total repairs up to \$12,500 per applicant. Homes must also be at least 50 years old.
- **City of Rocky Mount General Fund- \$150,000**
 - Urgent Repair Program- forgivable loan up to \$12,500 in funding to assist with the rehabilitation of deteriorated homes that are owned and occupied by very low-income households.
- **Housing Incentive Grant- \$500,000**

Affordable Housing Strategies from Charlotte, Asheville, and Wilmington

Asheville and Charlotte employ a wide variety of strategies and solutions to improve the affordable housing situation in their respective cities. Each of the following solutions have been considered or employed by both cities and should be reviewed to explore feasibility for the City of Rocky Mount. Wilmington is included for their work on the community land trust, container housing, and panelized homes.

Current Financial Solutions

Housing Trust Fund (HTF)- An affordable housing program that complementing existing federal, state, and local government efforts to increase and preserve the supply of affordable housing for extremely low- and low-income households, including homeless families. The HTF uses funds for the production or preservation of affordable housing through acquisition, construction, reconstruction, rehabilitation, or weatherization of non-luxury housing with suitable amenities⁴⁰. Currently, there are four HTFs in North Carolina: Asheville, Charlotte-Mecklenburg, Chatham County and Wake County (Cary). The State of North Carolina also has its own HTF, separate from the general fund.

- **Factors to Consider when Creating a Housing Trust Fund (HTF)⁴¹:**

- ***Estimated Revenue***- What is the amount of revenue a trust fund expects to generate? Substantial revenues can support plans like gap financing for the rehabilitation of old projects, new construction projects, rental housing assistance, long-term operating costs, and housing support services. More modest revenues may be sufficient only for application of small grants, subsidies, technical assistance, capacity building, short-term loans for predevelopment, or for other activities where funds are heavily leveraged.
- **Distribution of Funds:**
 - A simple way to distribute available funds is to design a competitive application process. Consideration will be given on a rolling basis or an annual/ semi-annual format.
 - Does unused funding roll over from year to year?
 - ***What is the Structure of Awards:*** Loans vs. Grants vs. Credit Guarantees?
 - A trust fund can also support projects administrated by the city's housing agency.
- **Funds may be generated or funded by⁴²:**
 - Taxes (Sales, Hotel/ Motel)
 - Fees (Document recording, Linkage, Permit)
 - Payments made by developers in lieu of providing affordable housing units
 - Sale of Property
 - Philanthropic donations from foundations, businesses, organizations or individuals
 - Grants
 - Interest Payments
 - City Bonds or Council Appropriations
- ***Targeted Beneficiaries of the Fund***- A trust fund must determine to whom financial resources must be allocated efficiently. Providing housing for residents with very low or no income requires one kind of assistance. Enabling moderate-income residents of assistance to purchase their first home might require another form. Serving individuals experiencing homelessness or "protected" populations may require services tied to adequate, affordable housing. In some rural areas,

addressing the infrastructure needs must be accomplished before any housing production can occur. HTFs can also complement the investment with redevelopment funds to revitalize blighted neighborhoods.

- ***Existing Capacity to use available funds-*** Capacity varies among how communities intend to handle their funds for affordable housing. A good capacity-building program helps potential developers create good projects, uses available funding, finds needed community partners, and secures future commitments.
- ***Oversight over the Administration-*** How does the City want to conduct the supervision of its HTF? The majority of HTFs are managed directly by the local city or county creating the trust, typically housed in the local agency or department with experience with HOME program or CBDG program⁴³. Other options can include a separate entity such as the housing authority or community redevelopment agency. Some municipalities have members of the community sit on the HTF board, where they serve terms and can be appointed by city council.
- **Two Types of Housing Trust Funding:**
 - **Appropriations-** A HTF can be funded through direct appropriations or other sources of revenue not dedicated on an ongoing basis. These funds are less predictable than dedicated housing trust funds because they are subject to the annual appropriations process, which is affected by the overall political and economic context.
 - **Dedicated Funding**⁴⁴- An HTF can also be funded through a stable source of revenue without the usage of annual appropriations. Many revenue sources of housing trust funds are tied to designated real estate taxes, fees, and income from other economic activities. Such funds represent a stable and effective way of ensuring consistent long-term financing for affordable housing needs in a community. However, even dedicated sources can experience variability. An economic downturn may reduce these revenues and thus the funding of the dedicated housing trust funds. Also, there could be community opposition to dedicating a certain revenue stream for affordable housing, especially with other competing priorities.
 - Funding can be diverted for non-housing purposes through the budget process, but there is no guarantee housing trust fund revenues are protected from diversion for non-housing purposes. For example, in 2009, portions of the Florida, Arizona, and Illinois housing trust fund revenues—all raised from dedicated sources—were redirected to non-housing purposes as a way to relieve some of the states' funding shortfalls⁴⁵. Rocky Mount would need to put an ordinance or regulation in place that bars the transfer of HTF funding to another department.
- **Charlotte, NC:** Charlotte's Housing Trust Fund was established by the City Council to provide financing for affordable housing⁴⁶. To date, Charlotte's HTF has financed 9,198 new and rehabilitated affordable housing units and 694 shelter beds⁴⁷.
- **Estimated Revenue:** Charlotte's HTF capitalizes through voter-approved housing bonds; more than \$177 million in housing bonds has been committed to the HTF since its inception. The trust fund is financed through the sale of general obligation bonds. Charlotte provides gap subsidies for 4% Low-Income Housing Tax Credit (LIHTC) and 9% LIHTC funded developments, investments in supportive housing, emergency housing infrastructure, and funds for single-family housing units⁴⁸. The 4% LIHTC allows for between \$30,000 and \$40,000 while the 9% LIHTC allows for \$10,000 and \$20,000.

- Charlotte's HTF uses an Appropriations style approach based on bonds that must be approved every couple of years rather than a dedicated on-going funding source or a diverse portfolio of funding sources that can be utilized as needed. (i.e. Appropriations).
- In past years, Charlotte asked residents to approve a bond of \$15 million every two years for affordable housing. In 2018, city officials increased the amount to \$50 million, citing the city's shortage of affordable housing⁴⁹. The 2020 GO Bond, the final bond of a four-bond package (2014, 2016, 2018 and 2020) also asked for an increase to \$50 million for affordable housing.
- **Targeted Beneficiaries of the Fund:** The HTF financed 3,227 households for residents earning less than 30% of AMI or under \$22,250 per year⁵⁰. Both non-profit and for-profit developers are eligible to apply for housing trust funds if the target income is 60% of AMI or below⁵¹.
- **Existing Capacity to Use Available Funds:** The goal of the HTF is to solely provide gap funding to increase below market-rate housing options in the City⁵².
 - Some of Charlotte's local affordable housing developers noted HTF bond approval every two years hinders their ability to plan for projects beyond two-year increments, including large-scale, phased projects⁵³.
 - **Administration:** When the HTF was implemented, the City Council appointed a Community Advisory Board. The Board included 7 members from the community who oversaw operations of the HTF and developed policies to improve new housing opportunities. In 2010, the Council expanded the Board to 16 members with increased priority on ending and preventing homelessness⁵⁴. Currently, the City Council disbanded the Community Advisory Board and resumed responsibility for funding decisions for the HTF⁵⁵. Currently, the Housing & Neighborhood Services Department's Housing Services division conducts the oversight⁵⁶.
 - Each potential project in Charlotte is required to conduct two public hearings for citizen comments⁵⁷.
- **Asheville, NC:** Asheville's HTF was established to provide low-cost financial assistance to incentivize development and preservation of affordable housing within city limits⁵⁸. As of November 2018, there are 660 affordable housing units either completed or in various stages of development utilizing funding from Asheville's HTF.
 - The following affordable housing priorities have been established for the fund:
 - Rental housing and homeownership projects will have equal priority.
 - Projects with permanent affordability are given the highest priority in the scoring model.
 - The development of units serving the lowest income households will be given higher priority.
 - Developers seeking lower per-unit subsidies will be given more priority in the scoring model.
 - Projects with final planning and zoning approval are preferable (but not required).
 - Projects with a higher number of affordable units will be given higher priority.
 - Projects developed with transit and multi-modal corridors will be given higher priority.
 - Projects that incorporate green-building elements and have the highest energy efficiency (as determined by an outside rating agency) will be given higher priority⁵⁹.
 - **Estimated Revenue:** This fund is financed from General Obligation bonds as well as 1 cent of property taxes⁶⁰. As opposed to providing grants, Asheville offers low-interest loans for creation of new affordable units. These loans are reviewed in an application process, then reviewed and

approved by City Council. The city has a goal of a minimum of 75% of the annual appropriations to rental projects.

- Asheville has received four philanthropic donations for its HTF, two planned for post-construction.
- **Targeted Beneficiaries of the Fund:** While multi-family properties and higher density, larger-scale developments are preferred, Asheville acknowledges studio and one-bedroom apartments are most needed⁶¹.
 - HTF loans are not available to individuals looking to build or renovate their own homes, and projects must have a minimum of 20% of total project units dedicated as affordable.
- **Existing Capacity to Use Available Funds:** The maximum loan amount available to each developer from the Housing Trust Fund is \$20,000 per affordable unit, and the maximum loan per project is \$1 million, unless the City Council approves the potential proposal⁶². A minimum of 20 percent of the total project units using HTF dollars must be affordable to households at or below 100 percent of AMI (ownership) or 80 percent of AMI (rental). The affordability period depends on the type of loan provided by the Trust Fund but is generally at least 15 years⁶³.
 - Permanent loans for rental projects are given at a 2% interest rate for a term of up to 30 years. However, special loan terms exist for rental projects for those making 60% or less of AMI: such projects are eligible for either no interest loans or two percent principal deferred loans, each for up to 30 years.

Administration: Asheville's Community Development department conducts oversight over their HTF.

Community Land Trust (CLT): a 501(c)(3) nonprofit, community-based organization that can develop or redevelop residential properties with the mission to provide affordable housing by retaining ownership of the land and leasing the houses built on that land. A CLT is an independent body, the city or county has no jurisdictional power over the nonprofit. Under a CLT, a current resident sells their house at a price set by the CLT, earning a portion of the increase in the value of their home. A new resident leases the house through a long-term ground lease agreement, typically 99 years, agrees to the same requirements as the previous owner around resale time. The terms of the lease will require the owner to sell the house back to the CLT nonprofit⁶⁴. Homeowners build wealth in two ways: through the forced savings gained by paying down the principal balance of their mortgage and through the share of home price appreciation allocated to them under the resale formula⁶⁵. The sale price, determined by a formula in the ground lease, is designed to provide some equity to the owner without sacrificing affordability for the next buyer.

- CLTs are run by a nonprofit organization or a board of directors with ties to the community. Dr. Jim Johnson and Ms. Jeanne Bonds, in a November 9, 2020 presentation to City Council, suggested a governing committee of seven representatives (at-large/ residents) who will oversee the trust. Representatives will serve on a three- tiered board: lessee representatives, members whose primary residence is a property owned by the CLT; general representatives, members who live, work or have community ties to the city that the CLT resides in; and public representatives, members who have a deep wealth of knowledge of the CLT structure, housing policy, urban development, finance, etc.
 - The board members would have to run for an election to sit on the CLT.

- Among the homeowner's rights are the rights to privacy, the exclusive use of the property, and the right to bequeath the property and the lease. The CLT has the right to purchase the house when and if the owner wants to sell⁶⁶.
- CLTs rely on grant funding to provide subsidy to offer housing at below-market levels. Capital can also be used to acquire or rehabilitate households. This funding can come from federal housing subsidies (CDBG/HOME), community foundations, neighborhood associations and private donors⁶⁷.
- **Charlotte:** While the city itself does not have an official CLT, West Side Community Land Trust (WSCLT) serves as a nonprofit of part of the city since its founding in 2016. The CLT wants to build 50 permanently affordable housing units in historically black neighborhoods over the next 5 years. With the trust maintaining control of the land, only housing units are sold to the buyers and owners can pass houses on to their heirs. The land trust reserves the right to buy back houses, usually paying a small return on owners' investment around 2% to 3% per year⁶⁸.
 - The WSCLT received \$200,000 from the Z. Smith Reynolds Foundation to pay for a full-time outreach coordinator, operating expenses and the salary for the CLT's full-time director⁶⁹. Additionally, the trust received \$100,000 from the Knight Foundation and \$10,000 each from 2 local churches⁷⁰. The CLT does not currently receive any funding from the city.
- **Asheville:** Asheville and Buncombe County share their CLT, calling it the Asheville Buncombe Community Land Trust (ABCLT). The CLT was created to provide affordable housing for low-income families in the Asheville-Buncombe County area.
 - In 2018, the City of Asheville committed 1 million dollars to the community land trust⁷¹. In August of 2020, the City of Asheville formalized a grant agreement with ABCLT for \$1.1M to include the bond funding as well as another \$100,000 for operational expenses to ensure Anna Zuevskaya, serving in a part-time capacity as the Executive Director, can transition to full-time by the end of this year⁷².
- **Wilmington:** The City of Wilmington's CLT is the Cape Fear Community Land Trust (CFCLT). The CFCLT specifically targets people who are income-qualified at the particular level for each property from 20% AMI or 125% AMI. Thus far, the trust renovated 8 houses that were sold to Habitat to Humanity and partnered with the Wilmington Interfaith Refugee Ministry to create a welcome house.
 - The CFCLT holds a daddy-daughter dance as the trust's major fundraiser in addition to funding from the city and county.

Acquisition Fund- A pot of financial capital created by a local jurisdiction or nonprofit entity to acquire public or private areas for future affordable housing development. Typically, acquisition funds are structured as a flexible revolving loan pool that developers can quickly access while gathering funds for pre-development. The fund provides short-term financing for affordable housing developers. A structure would need to be established, including identifying an administrator of the fund (city staff/ community appointment).

- For an acquisition fund to be successful, capital needs to be enticed to run it. Capital can come from various sources including public funds, philanthropic donations, foundations, universities,

traditional financial institutions, community development financial institutions (CDFIs), and even large employers. Financial institutions may receive credit under the Community Reinvestment Act for investments in affordable housing by contributing to a property acquisition fund. The money to capitalize the fund can be granted, lent at a market rate, or lent at a below-market rate depending on the goals of the organization providing the capital⁷³.

- Another possibility is choosing to direct revenues from existing local or state housing trust funds toward strategic site acquisition rather than creating a new standalone acquisition fund⁷⁴.
- Some communities will forgive pre-development loans if permanent financing cannot be obtained. This can be an important feature that allows affordable housing developers to investigate alternative sites and pick only those most likely to succeed.
- **Charlotte:** The City does not have an acquisition fund as funding around land acquisition has been difficult⁷⁵.
- **Asheville:** Asheville's Housing Trust Fund has been used as a land acquisition, but the City is currently working on another phase to incorporate this strategy in the future.

Preservation Fund- A fund structurally designed to help preserve the quality, accessibility, and affordability of existing income-restricted and naturally occurring affordable rental housing by providing low-cost financing for site development and rehabilitation of these properties. This fund could be an opportunity to target properties growing increasingly unaffordable due to market demands, buildings with numerous code violations, or lie in opportunity areas.

- Like an acquisition fund strategy above, a structure will need to be created, including an administrator for the fund, staffing, locating borrowers and investors⁷⁶.
- **Charlotte:** Charlotte operates an extensive housing rehabilitation program which preserves affordable housing assets, facilitates healthy living environments, and assists seniors to age in place. Assistance includes a moderate repair program for homeowners and funding for multifamily rehabilitation with existing lead hazards. Each year, the City and its partners provide services for an average of 160 households.
- **Asheville:** Asheville uses its Housing Trust Fund as a preservation fund, but the City is currently working on another phase to incorporate this strategy in the future.

Pass a General Obligation Bond focusing on Affordable Housing- General Obligation (GO) Bonds are government bonds dedicated funding affordable housing projects and other capital public works projects. GO bonds may not generate a specific revenue stream.

GO Bonds require voter approval before they can be issued, so a bond election is called by the City Council when a city determines that it needs to get voter approval to issue GO bonds. Local governments use municipal taxing power to secure low-interest rates and are overseen by the Local Government Commission. In Rocky Mount, the primary costs of the bond would be the rise in short-term property taxes, interest payments to secure the bond, and a loss of interest gained from alternate use of the initial investment. On the other hand, a major investment includes providing housing to its residents as well as additional property tax revenues in the long-term.

- The higher a city's credit rating is less risk for investments from lenders and provides the city a low interest rate.
- Sponsors of the bond will need to decide how much money the government needs, what revenue source will be used, and over what time period the funds will be distributed.

- Bonds can be politically challenging; sponsors will need to build a coalition of supporters to generate enough popular support before an election. A mobilized coalition of supporters will dramatically increase the bond's chances of passage.
- **Charlotte:** Charlotte passed a \$197.2 million bond for transportation, affordable housing, and neighborhood development. The city earmarked \$50 million for its Housing Trust Fund (HTF) to build and preserve existing affordable housing for low- and moderate-income households. Charlotte financed the costs for the 2020 bonds into the city's budget so property taxes will not be increased to pay for them⁷⁷. The 2020 referendum is the last of four since 2013, when the city projected capital needs for a decade. Voters approved referenda in 2014, 2016, and 2018.

Included in the bond was \$102.7 million allocated for transportation improvements. Bond money is designed to improve traffic flow, expand bike and pedestrian routes, resurface streets, build or repair bridges and sidewalks, and upgrade traffic signals. The remaining \$44.5 million was reserved for infrastructure improvements in distressed neighborhoods. Projects ranging from lighting, storm drainage, sidewalks, bike lanes, and landscaping⁷⁸.

- Charlotte maintains a website detailing the progress of all completed and ongoing projects through their bond.
- **Asheville:** Asheville proposed a GO bond and dedicated \$25 million of a \$74 million bond package to affordable housing projects, including resources to create and preserve housing through new construction, urgent repair, and loans for preservation or repair. With \$15 million designated for high impact projects – housing developments that would provide a high density of affordable housing – while the remaining \$10 million was divided between a housing trust fund, a community land trust, a down payment assistance program, and funding for city land banking⁷⁹. Asheville used the bond's flexibility to expand its HTF in response to the residential concern of displacement and gentrification.

The city council applied through the Local Government Commission, held two public hearings, and placed the order on the November 8th ballot. The city asked for a 1.2 cent increase in property taxes. The housing portion was one component out of three parts, including additional funding for parks and recreation (\$17M) and transportation, specifically streets, sidewalks, and bike lanes (\$32M)⁸⁰.

- Asheville maintains a website detailing the progress of all the completed and ongoing projects through their bond.

Incentive Local Tools & Policies

Property Review of Affordable Housing Guidelines- A revamp of the formal process to review the feasibility of transitioning city-owned property towards affordable housing development. Using public land controlled by public entities could provide a nonmonetary subsidy to affordable housing developers. When the land is sold, additional revenue could be generated by reinvesting into housing. In high-cost areas, public land has become an essential tool for the production of new, below market-rate housing.

- Recognized as a national best practice for increasing the supply of affordable housing.
- There has been internal confusion between city departments and the Redevelopment Commission about who owns what public land, maintenance, and the eventual goal for that land in Rocky Mount.
- **Charlotte:** Charlotte makes city-owned land available through a review process at below market value to developers. In exchange for the ability to purchase City-owned land at below market value for residential development, developers are required to set aside at least 10 percent of new units affordable to households with incomes at or below 80 percent AMI. All approved public land projects have deed restrictions that keep prices affordable for 15 years⁸¹.
- **Asheville:** In 2019, the City Council adopted a policy for implementing affordable housing on city-owned land. The process has 2 baselines⁸²: The City identifies a property ready for development and procures an appraisal to establish its fair market value. Then the city issues a request of qualifications to determine the most qualified developer based on selection criteria as described, then invites the short-

listed development teams to submit Development Proposals for the subject site(s). A single development team is then selected to directly negotiate on a final site plan and the terms of sale or lease of the City-owned site. The terms of the transaction must be reviewed by the City Council for final approval⁸³.

- **Baseline 1:** When developing City property, 20% minimum of all units must be affordable to individuals and families at 60% AMI and accept Housing Choice Vouchers.
- **Baseline 2:** Affordability period of no less than 20 years, with a strong preference of 30 years or longer.
- **Link to full policy:**
<https://drive.google.com/file/d/1XZV414t3oT4SKIYI6-BIE0cpyPXGFeii/view>

Accessory Dwelling Units (ADUs)- a policy permitting for the creation of a second dwelling unit on a lot with a detached, single-family dwelling unit and may either be located within the principal detached dwelling or a separate accessory structure. Widely regarded as a means for seniors, single parents, and families with grown children to remain in their homes and neighborhoods and obtain extra income, security companionship, and services.

The City of Rocky Mount already has an existing policy for ADUs, but the previous policy forbids anyone from using an ADU except for the property owner, family members, or potential caregivers employed on the premises⁸⁴. Furthermore, the owner can grant permission for a guest to use the accessory dwelling so long as the occupation does not exceed 6 months in any year⁸⁵. Both existing regulations are largely unenforceable and ambiguous, so the city should consider changing its accessory dwelling policy regulation.

- City Staff recommended changes to the ADU policy will help create mixed income neighborhoods without compromising property values—generating added property tax revenue with minimal impact to community services⁸⁶.
- **Charlotte:** In 2012, Charlotte amended its Zoning Ordinance to permit, as an accessory use, ADUs to any single-family detached dwelling located in any zoning district.
- **Asheville:** In 2015, the City of Asheville allowed for a larger size ADU (800-1000 sq. ft.) and increased the number of parcels that can take advantage of the regulations.

Assisted Multifamily Housing Near Major Transit Stations- A policy encouraging opportunities to develop multifamily rental housing near adopted transit stations.

- **Charlotte:** In April 2019, the City Council approved and adopted new Transit Oriented Development (TOD) Zoning Districts. The update establishes a bonus program to incentivize developers to provide increased affordable housing options. In exchange for meeting certain affordable housing thresholds, projects can receive development bonuses used for greater density.
 - As a part of the April 2019 update, minimum parking requirements for residential development were eliminated. TOD Zoning Districts established maximum parking limitations, recognizing developments in these areas are more pedestrian- and transit-oriented rather than auto-oriented⁸⁷.
- **Asheville:** Asheville commercial developments over 5,000 sq. ft. will be required to provide housing (1,000 sq. ft. commercial area per market-rate unit).

- The City proposed reducing off-street parking requirements for those urban center projects located within a quarter-mile of a transit stop and maintains an off-street parking exemption for residential development within 1 mile of the Central Business District⁸⁸.

Density Bonus- An incentive to encourage production of affordable housing by allowing developers to build more units on a site than the maximum amount originally allowed by zoning ordinances. Depending on how the policy is structured, additional density may be used to build up or out; for example, to add more floors to a multifamily building or additional structure to a planned development.

- This tool works best in cities where market demand is strong and land availability limited, or for projects or sites in which the developer's financial incentives outweigh alternative development options.
- It's more important to set the bonus at the level needed to incentivize development in the market than to try to replicate the bonus levels used in other jurisdictions that may have different market conditions⁸⁹.
- Does the City want a density bonus calculated on a case-by-case basis? This approach allows for a more nuanced assessment of site-specific conditions that may or may not be compatible with increased density. On the other hand, case-by-case judgments can be burdensome to administer and do not provide as much transparency and predictability in the development process, which leads to a reduction in the amount of housing production below the level that might otherwise be induced⁹⁰.

There are three basic steps to create a density bonus:

1. Define the purpose of creating density bonuses. What are the goals or policies for the community's density plan?
 2. Identify where density bonuses are allowed. Do we want density bonuses for only commercial areas? Are residential areas an option? The bonus has to be in areas that can handle increased density or where members of the community desire increased development.
 3. Outline specifics of the program. How will the program be structured? Any new program will need a review of legal, legislative and procedural regulations. How long do the units remain affordable? The City might consult with for-profit, nonprofit developers, and housing organizations during the formulation process for the bonus program to be effective.
- **Charlotte:** The City's density bonus program is tied to its Mixed-Income Housing Development Program. The density bonus is intended to encourage private developers to include affordable units in their projects in exchange for higher density than existing zoning allows. In exchange for increased density, developers reserve a share of their units for low-income households. This incentive includes a portion for households at or below 60% of AMI in multifamily districts and keeps these units affordable for 15 years. To date, this incentive has not produced any affordable housing units⁹¹.
 - In an interview with Warren Wooten from Charlotte, he stated "the program might be too narrowly defined and has to create benefit for potential developers."
 - **Asheville:** In 2014, a 100% Density Bonus was added on commercial corridors for

affordable housing units under 80% AMI. In 2016, Asheville added flexibility in all residential districts, reducing minimum area and lot width in all districts by 20%.

Revise Minimum Parking Requirements for Residential Development- An incentive to eliminate or reduce the minimum parking requirements from 2 per dwelling unit to 1.5 or 1. Reducing parking leads to lower development costs where that land can be used for additional units, leading to reduced housing costs for residents. Any policy will need to account for potential spillover into surrounding residential neighborhoods or increased on-street parking. Rocky Mount could eliminate parking minimums citywide, in certain residential/commercial districts, for certain qualifying housing types, or another characteristic. Another option is switch to parking maximums where a limit is placed on parking spaces. Capping parking helps developers provide more housing units than required and can encourage increased usage of public transportation or walking.

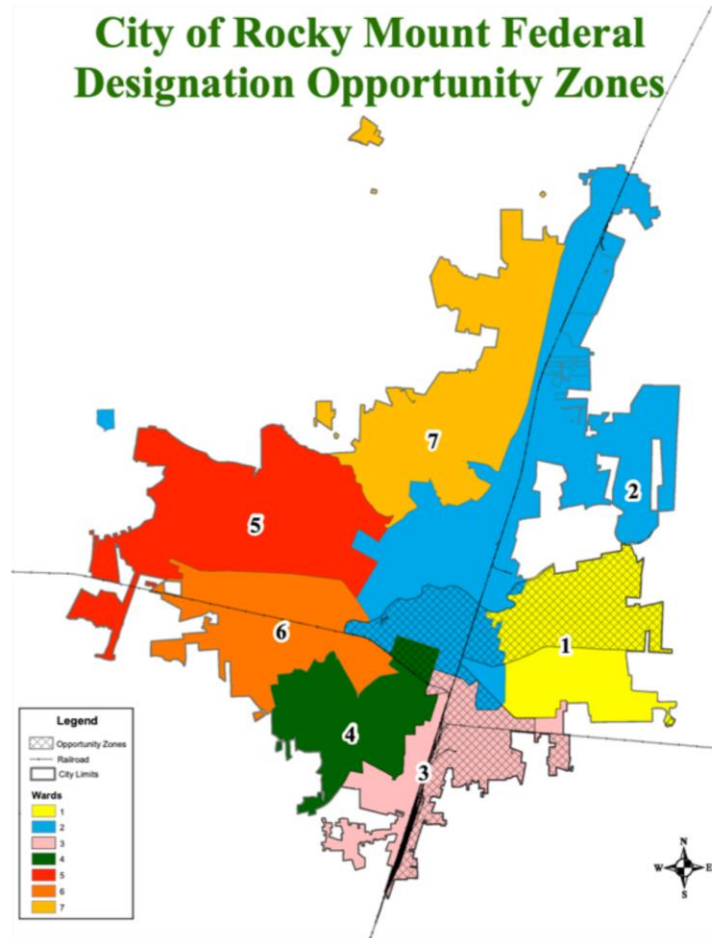
- Municipalities should account for certain populations like seniors and lower-income people who have lower-vehicle ownership or less ability to travel. Senior apartments, continuing care communities, nursing homes, or assisted living facilities are all likely to have lower parking demand than non-age restricted developments of the same size⁹².
- Both Development Services and Public Works departments have recognized the need for rezoning to reduce parking requirements. Additionally, the Atlantic-Arlington Corridor Land Use Study recommended performing an analysis of existing minimum automobile parking requirements to promote development flexibility in response to market need⁹³.
- **Charlotte:** In the April 2019 update for Charlotte's Transit Oriented Development Zoning Districts, minimum parking

requirements were eliminated for all residential use. In place, maximum parking limitations were implemented⁹⁴.

- **Asheville:** The City is working to reduce off-street parking requirements by 50% in

its urban centers and does not require off-street parking within the Central Business District⁹⁵. Furthermore, the City maintains an off-street parking exemption for residential development within one mile of the Central Business District.

Potential Financial/ Incentive Tools and Solutions



Opportunity Zones- Established in the Tax Cuts and Jobs Act of 2017 as a new community development program to encourage long-term investments in low-income urban and rural communities nationwide. The incentive allows investors to defer capital gains tax — levied after someone sells an asset like land, business, or stock — in exchange for putting money into a “Qualified Opportunity Fund.”⁹⁶ To qualify for tax incentives, an area must have a poverty rate higher than 20% and/or a median household income that is less than 80% of the area’s median income (AMI). There are three opportunity zones in Rocky Mount: 1 in Nash County and 2 in Edgecombe County.

To receive the benefit provided by Opportunity Zones, investors must follow key time limitations. The key timing requirements are as follows⁹⁷:

1. Investors have 180 days to invest in an “Opportunity Fund” after earning a capital gain. After an investor realizes a capital gain on a sale of property, in order to defer the payment of taxes on that capital gain, the investor has 180 days to create an “Opportunity Fund” or invest in an Opportunity Fund already created.
2. An Opportunity Fund must hold 90% of its assets in Opportunity Zones within 6 months. If 90% of assets are not invested in an opportunity zone property, a penalty must be paid.
3. For real estate investments, the investor must “substantially improve the property within 30 months. Substantial improvement means the Opportunity Fund invests at least as much as the

property was worth (not counting land value) when the Fund first acquired it.

4. Maximum tax benefit available for Opportunity Zone investments made before the end of 2021. Investments held for at least 5 years before the 2026 payment comes due could receive 10% tax reduction on original capital gains tax. Thus, to receive 10% tax reduction, investments must be made by the end of 2021.

- All deferred capital gains must be paid by 2026.
- North Carolina is one of only 5 states that have not conformed with federal opportunity zone provisions, meaning investors might be unable to defer and reduce state taxes on gains made in opportunity zones here⁹⁸.
- Opportunity Zones encourage construction of private facilities, not public ones. Local governments cannot receive Opportunity Zone benefits because governments don't pay taxes⁹⁹.
- There is some concern the lack of guidelines requiring these investments to serve the needs of existing low-income residents means Opportunity Zone investments could lead to gentrification and residential displacement by pricing residents who live in those neighborhoods out as new investment comes in.
- **Charlotte:** There are 17 opportunity zones in Charlotte. The median household income in these opportunity zones is \$26,600¹⁰⁰. The city has received some inquiries but not yet commissioned any housing projects¹⁰¹.
- **Asheville:** There are 5 opportunity zones in Asheville with 3 of those zones in residential areas.
 - On October 23, 2018, Asheville City Council passed a resolution to “work with Opportunity Fund Investors and

take a proactive approach to offer guidance in Opportunity Zone investments that promote Equitable Growth, Development without Displacement and Healthy Communities of Opportunity for all residents in and around Opportunity Zones.”¹⁰²

Property Tax Abatement- an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens¹⁰³. While abatements generally do not reduce tax revenue, they limit additional revenue collected during the term of the abatement. Tax abatements can also potentially incentivize new development, countering any loss in tax revenues and meeting the broader revitalization goals of a community. Last year, the city explored multi-family tax abatement on new multi-family buildings in exchange for setting aside a percentage of the homes as income and rent restrictions.

- To avoid creating problematic tax abatement policies, it is important to consider the trajectory of the community. Communities experiencing significant amounts of long-term disinvestment are much more likely to benefit from the incentives tax abatements can provide. Conversely, providing tax abatements to lower-income households in neighborhoods quickly becoming high-cost can also be very effective. Both of these scenarios assume the benefit to the community of a particular development project or program has been determined through an open, equitable, and inclusive decision-making process¹⁰⁴.

- Some communities offer a form of tax abatement or exemption to developers and buyers of homes in designated revitalization zones or rental property owners who participate in housing subsidy programs.
- **Asheville:** Asheville uses the Land Use Incentive Grant. The policy is attached.
- **Charlotte:** Unsure if Charlotte has this strategy.

Tax Relief for Affordable Rental Housing- A mechanism granting tax relief of real property taxes for affordable housing that furthers City policies and goals. Tax relief will allow for greater net operating income in 9% and 4% LIHTC deals, which in turn allows these projects to borrow more conventional permanent debt and decreases reliance on gap financing from local government.

- Tax relief can be viewed or calculated by different methods: present value of taxes not collected or forgone tax revenue, possibly in favor of increased gap financing.
- **Charlotte:** Currently debating if predicted increase in these tax bases offset the loss in property taxes. Does the city want to try present value of taxes not collected or foregone tax revenue, possibly in favor of increased gap financing?
- **Asheville:** The City uses its Land Use Incentive Grant to provide grants based upon the city's property tax to participating developers who build affordable housing. Grant amounts are based on the number of points developers earn by meeting the various criteria¹⁰⁵. Buncombe county offers some tax relief for residents over the age of 65.

Fee Rebates- a policy of reducing or waiving certain permit fees for certain qualifying affordable housing developments. As an incentive for housing developers, Rocky Mount would reduce or waive certain permit fees (i.e. insulation, electrical, plumbing, etc.)

- **Charlotte:** In the works, but no details yet.
- **Asheville:** Asheville has a Fee Grant Program. The rebate offers developers 50% off the building permit, water connection and sewer facility fees associated with the construction of new affordable housing. Depending on the design and size, rebates can be as high as \$2,000
 - Buncombe County also offers a permit fee rebate on building, well, and septic permits for housing that is constructed and sold or rented affordably.

Strategies for Community Code in Rocky Mount

Tax/ Lien Foreclosure: A policy where a municipality files a civil action initiating the foreclosure process against a property owner with delinquent property taxes or high repair costs stemming from a failure to bring a residential property up to minimum code standards. Under a tax/lien foreclosure, the municipality would proceed by locating the owner of the property. If the owner has passed, the municipality would reach out to any surviving potential heirs. Upon finding the owner's name and address, the City Attorney would send out a certified letter for the property taxes to be paid or for the owner to set up a payment plan with the municipality. If the letter receives no response or the time to answer has elapsed, then the City Attorney would file to initiate the foreclosure process by getting a hearing before a judge. After getting a signed judgment, the city would publish a sale date for a public auction and file a report of sale with the Clerk of the Court. The property tax foreclosure process requires a public auction of the property in question, which must be sold to the highest bidder free and clear of tax and other liens.

Under a potential tax/ lien foreclosure plan for Rocky Mount, the city set an initial bid covering the amount of taxes, fees, costs, and interest owed on the property. This would ensure the government is now whole even if a third-party outbids and buys the property. Even in the event that no additional bid is placed, the government would retain rights for the property. The city, not wanting to remain the deeded owner of the property, would transfer the deed to Rocky Mount Redevelopment Commission (RDC), which is a non-profit entity within the city's Community and Business Department. The RDC operates for the public purpose of acquiring and replanning blighted areas within the city limits to hold or dispose of properties in a process of making them available for

economically and socially sound development¹⁰⁶. Thus, the RDC can present and sell the property to potential investors without a conflict of interest and further detangle the city from holding multiple properties as liabilities in the real estate market. Costs can be an issue as the foreclosure process can \$5,000 per case.

- A local government cannot play favorites by excluding certain parties from the bidding. Restrictions may not be set on selling price, on the bidders, or the deed to the property¹⁰⁷. Even the current owner who is being foreclosed upon is eligible to bid on and buy the property in foreclosure¹⁰⁸.
 - If the government does not submit an initial bid at the amount of taxes and costs owed on the property, then anyone can buy the property back for as little as \$1 with all the taxes and other liens extinguished.
- If the government wins the bid, it is not required to make good on its entire bid in cash like individuals. The government must pay only the portion of its bid that would not be used to satisfy taxes and other government obligations owed on the property¹⁰⁹. The highest a bidder can be required to pay immediately is a deposit of 20%.
- Tax Foreclosures are conducted in Edgecombe County
- **Charlotte & Asheville:** Neither city conducts tax foreclosures. This remains a county function for Charlotte-Mecklenburg County. Asheville has hired an outside consulting firm to resolve its existing heir properties disputes.

Receivership Pilot Program: A policy where a municipality may petition a Superior Court

Judge for the appointment of a “receiver” who will retain the ability to take ownership of properties that are vacant and in noncompliance with the municipality’s code enforcement standards. The municipality must give notice of the pending proceedings to all respondents within 10 days. Respondents can then request for the court to appoint them as the receiver as opposed to a third party¹¹⁰. The court-appointed receiver can decide whether to rehabilitate, demolish, or sell the property. The receiver can place a lien against the property for the amount of money spent, which will retain priority over all other liens, except for taxes and other government assessments¹¹¹. The owner can regain control of the property by making the receiver whole. The receiver will retain property rights until 2 years after the rehabilitation, demolition, or sale of the property¹¹².

There are 5 occurrences under N.C. General Statute §160A-439.1., where a property can be deemed a “nuisance per se” and trigger a municipality to petition a court to appoint a receiver:

1. The owner fails to comply with an order issued pursuant to G.S. 160A-429, related to building or structural conditions that constitute a fire or safety hazard or render the building or structure dangerous to life, health, or other property, from which no appeal has been taken.
2. The owner fails to comply with an order of the city council following an appeal of an inspector's order issued pursuant to G.S. 160A-429.
3. The governing body of the municipality adopts any ordinance pursuant to subdivision (f)(1) of G.S. 160A-439, related to non-residential buildings or structures that fail to meet minimum standards of maintenance, sanitation, and safety, and orders a public officer to continue enforcement actions prescribed

by the ordinance with respect to the named nonresidential building or structure. The public officer may submit a petition on behalf of the governing body to the superior court for the appointment of a receiver, and if granted by the superior court, the petition shall be considered an appropriate means of complying with the ordinance. In the event the superior court does not grant the petition, the public officer and the governing body may act pursuant to the ordinance in any manner authorized in G.S. 160A-439.

4. The owner fails to comply with an order to repair, alter, or improve, remove, or demolish a dwelling issued under G.S. 160A-443, related to dwellings that are unfit for human habitation.
5. Any owner or partial owner of a vacant building, structure, or dwelling, with or without the consent of other owners of the property, submits a request to the governing body in the form of a sworn affidavit requesting the governing body to petition the superior court for appointment of a receiver for the property pursuant to this section.

In 2018, the City of Rocky Mount conducted a cost-estimate researching a possible implementation program. Staff estimates placed the total cost to the city for a Receivership program are \$24,500 per year. Potential costs to the city include administrative functions such as staffing like a Program Administrator and litigation fees. The cost of a part-time employee to serve as the Program Administrator would be \$17,500. Staff analysis estimated an annual benefit of about five units per year and that a potential Receivership program could net the city approximately \$550,000 in new development annually. Further analysis states the city will break even in the 8th year and fully recoup its investments in year 14.

- Properties cannot be occupied; a receiver can only be assigned to a vacant property.
- To qualify as a receiver, one must demonstrate 5 things to the court, according to N.C. Statute §160A-439.1(d):
 1. The financial ability to complete the purchase or rehabilitation of the property;
 2. The knowledge of, or experience in, the rehabilitation of vacant real property;
 3. The ability to obtain any necessary insurance;
 4. The absence of any building code violations issued by the city on other real property owned by the person, or

any member principal, officer, major stockholder, parent, subsidiary, predecessor, or others affiliated with the person or the person's business.

- If the court determines that the receiver is no longer qualified to serve as the receiver, the court may appoint another person to serve as the receiver of the property.
- North Carolina already appoints receivers in the context of bankruptcy when a property must be managed by a court to preserve its value.
- Neither Asheville nor Charlotte have employed this strategy. Greensboro is the only city in North Carolina considering this as an option.

Alternate Housing Structures

Container Housing: an alternative style of housing similar to Tiny Homes, where new or slightly used shipping containers are transformed into homes. Shipping container homes are seen as a cheaper and faster alternative to provide housing to homeless families, veterans, and others who may experience hard times during the coronavirus pandemic¹¹³. A standard container is either 20ft by 8ft or 40ft by 8ft, the smaller equals about 160sq. feet while the longer one equals about 320sq. feet¹¹⁴. All shipping containers have a height of 8 ft. With multiple containers, walls can be removed to create more interior space. The cost of buying the container itself can range from \$1,400 for smaller containers to up to \$6,000 for a larger, brand new 40-foot container. Newer containers will cost more than older containers¹¹⁵. While shipping container architecture is still relatively new, Rocky Mount allows for them to qualify as a single-family home from a zoning perspective.

- While still fairly new in the United States, Nashville, TN¹¹⁶; Portland, OR¹¹⁷; Los Angeles, CA¹¹⁸; and the Commonwealth of Puerto Rico have all explored the option of using container housing as an alternative means to resolve their own housing crises¹¹⁹.

Pros: (1) Shipping container homes are often faster to build than traditional stick-built houses. The simplest and smallest homes can be built in a few days or weeks, depending on how much finishing work a design requires¹²⁰. (2) Container homes are seen as recyclable and can encourage a smaller footprint and less usage of other building materials like wood and masonry¹²¹.

Cons: (1) Higher possible energy costs stemming from less insulation and more weather absorption from the outside because they are metal. While typical wood walls with studs have a cavity for insulation, the

corrugated metal sides don't. Large-scale projects that use multiple containers might also require extensive steel reinforcement, adding to potential costs¹²². While container homes last over twenty-five years, there is some concern about rust from weather conditions as something container owners should be monitoring¹²³. Buyers should be aware if the shipping containers were built for their climate and land use.

- **Charlotte:** While Charlotte's single-family zoning allows for container housing, Charlotte is agnostic to the building method and focuses on the larger strategy of supporting developers and increasing affordable housing.
- **Asheville:** N/A
- **North Carolina:** The City of Wilmington has used shipping containers to create pre-leased multi-family housing units. This community of "tiny homes" and shipping container housing has been billed as "The Cargo District." Each 600-square foot unit is air-conditioned with heated concrete floors and glass doors¹²⁴.

Panelized Homes: an alternative style of housing where the walls, roof and floor panels are pre-made in a factory, delivered to the job site and set in place by crane. Panelized construction is chosen by buyers because the speed of home assembly is quicker than regular construction and assembly waste is reduced from the construction site. Factories keep lumber conditions controlled, so buyers receive the best grades and cuts each piece for the most efficiency. While these can be advantages, paneling is shipped to the site, often from great distances. This increases the possibility of potential damages to shipments, which can lead to costly repairs and can be a hassle to store once arriving at the job site.

- Charlotte: While builders have proposed this option, Charlotte is agnostic to the building method and focuses on the larger strategy of supporting developers and increasing affordable housing¹²⁵.
- Asheville: There are panelized homes and specialty developers in Asheville.

Recommendations

These final recommendations experienced some success in Asheville and Charlotte have the potential to improve the affordable housing situation here in Rocky Mount. **Table 10** outlines how potential solutions from Asheville and Charlotte compare to the Rocky Mount housing objectives. All recommendations matched with at least 4 of the 6 housing objectives below. Other solutions are possible if the City of Rocky Mount is willing to commit the resources, patience, and willingness to follow the example of communities like Asheville, Charlotte, and Wilmington.

1. Create a Housing Trust Fund. (Eligibility: **AMI under 80%**)
2. Create a Community Land Trust.
3. Revise the Density Bonus policy in Rocky Mount.
4. Increase Building of Multi-Family Housing near Major Transit Stations.
5. Create an Acquisition and Preservation Fund for publicly & privately owned land.
6. Eliminate the current eligibility requirement of allowing only owners, family members and potential caregivers to occupy an Accessory Dwelling Unit.
7. Implement a Tax/ Lien Foreclosure or a Receivership program to deal with the number of dilapidated, deteriorated, or vacant houses.
8. Revise Minimum Parking Requirements for Residential and Mixed-Use Development.
9. Pass a General Obligation Bond focusing on Affordable Housing.

Table 10: How Charlotte & Asheville Solutions compare to Rocky Mount Housing Objectives

Solutions	Rocky Mount Housing Objectives					
	Expand housing choice and access to opportunity	Increase homeownership among low-income households and members of the protected classes.	Improve the utility of public transit for low-income and disabled persons.	Strengthen fair housing enforcement & operations.	Increase the level of fair housing knowledge & understanding among landlords and the general public.	Strategy Employed by Charlotte & Asheville
Create a Housing Trust Fund.	X	X	X	X	X	X
Create a Community Land Trust	X	X		X	X	X
Create a Density Bonus.	X	X	X	X	X	Asheville
Creation of an Acquisition Fund.	X	X		X		X
Creation of a Housing Preservation Fund.	X	X		X		X
Reform the City's policy on Accessory Dwelling Units (ADUs).	X	X		X		X
Encouraging Multi-Family Housing Developments Near Major Transit Stations.	X	X	X			X
Establish Code Enforcement on Residential Rental Property	X	X		X	X	
Implement a Tax/ Lien Foreclosure for Dilapidated/ Deteriorated Housing	X	X		X	X	
Create a Receivership Program for Dilapidated/ Deteriorated Housing	X	X		X	X	
Revise Minimum Parking Requirements for Residential and Mixed-Use Development.	X		X		X	X
Pass a General Obligation Bond focusing on Affordable Housing	X	X	X			X
Additional Solutions	Other Potential Recommendations					
Utilize Opportunity Zones	X	X				X
Review of Affordable Housing Guidelines	X	X		X		X
Implement Fee Rebates for Affordable Housing	X				X	Asheville
Offer Tax Relief for Affordable Rental Housing	X			X	X	Asheville
Allow for Construction of Shipping Container Housing	X	X		X		
Allow for Construction of Panelized- style Homes	X	X				

Conclusion

Asheville's strategy is to continue to partner with and incentivize all affordable housing developers, including for-profit developers, to be a part of the solution to housing affordability in Asheville. As of today, Asheville has approved around 420 affordable housing units over the past 18 months¹²⁶. Charlotte's strategy is focusing on innovative ways to create more efficient housing units, supporting homeownership opportunities, and resourcing homeless service providers. Charlotte is currently investing \$50 million every 2 years in affordable housing assets.

Rocky Mount is a community with opportunities for potential growth. The city desires to compete for investments locally, regionally, and nationally. With the prospect of future economic development, residents deserve to have their fundamental housing needs met. A lack of improvement in this area will make it challenging for the city to compete for prospective residents and businesses. Rocky Mount will need to utilize a comprehensive approach employing multiple policy strategies and solutions to advance its affordable housing goals. While each tool alone has pros and cons, the city will need a strong approach if it hopes to ensure every resident has quality, affordable housing.

Appendix

During the drafting process, city staff conducted meetings with various stakeholders and community partners for their input into the affordable housing strategic plan. Outlined below are some of their comments.

Community Academy/ NC Legal Aid Comments:

- Researched models from Durham (NC), Austin (TX), and Philadelphia (PA)
- A plan that is clear, concise, and easy to read.
- A clear statement of purpose or mission.
 - Purpose statement referencing the need to ensure a unified
 - Durham has 3 goal statements. Would like to see between 3-5.
- Better communication between city departments as all current housing initiatives seem fragmented and siloed. Increased engagement to get buy-in from multiple stakeholders.
- Better incorporation of multiple low-density examples “where density is no higher than 3 stories” (duplexes, triplexes, granny flats, and tiny homes).
- Desire to preserve the cultural heritage within the neighborhoods, while being open to efficient ways to create affordable housing.
- Recommend: Statement of goals with key recommended actions that each jurisdiction could take to support them
- Recommend: A section on definitions of key terms such as affordable housing, cost-burdened households, area median income, income-restricted affordable housing, market-rate housing, mixed-income housing, gentrification, and preservation, etc.
- Development of a community and stakeholder engagement plan.
- Recommend: Inclusion of an overview section.
- Recommend: The city creates an affordable housing plan that preserves existing affordable housing for residents, while leveraging opportunities to develop and increase new affordable housing supply at varying price points at and below 80% of the AMI.
- Recommend: The inclusion of a 5 to 10 year period during which to implement affordable housing strategies.
- Question: What work has been done to increased density options, expedited permitting, and waivers for parking and design?

The Redevelopment Commission (RDC) Chairman James Mills Comments:

- Desire to see more development on the Edgecombe County and increased living standards in the area.
- The Commission became interested in the Around the Wye and Southeast Rocky Mount area after finishing work in the Beale Street Square. Want to see the area enhanced especially because of the property owned in the area.
- Southeast Rocky Mount was chosen because the RDC already owns some property in the area. 3 houses to be specific.
- Everyone in the city should have decent, safe, comfortable housing. Not just for the area that the RDC represents but the community at large

- Suggestion: Plan to see an incentive for police officers to live in high-crime and/or predominately senior neighborhoods. As a five-year plan, then the officer is given the house. The presence of the police can combat crime in the neighborhood and increase the safety of its residents.
- Hopes to gain financial support and buy-in from City Council and city staff.
- Expressed concerns over displacement and gentrification. Wanting to keep the community's identity together.

The Housing Authority Comments:

- There is a waiting list up to 12 to 18 months and the voucher program. The program is available for 50 individuals for mainstream disabled families in public housing.
- Need more affordable housing in good repair. Additional housing in good repair will attract local investment, new businesses, and more revenue for the city.
- Wants to be kept in the conversation for additional properties. Doing work now where you wouldn't recognize that the housing belongs to the Housing Authority.

Dr. Jim Johnson Ph.D./ Professor Jeanne Bonds Comments:

- Recommend: Implementing a Community Land Trust. A potential way to build wealth while maintaining permanent affordability.
- A nonprofit that is fully independent and autonomous from the city. Maintains own 501(c)(3) and own staff.
- Led by a group of trustees who would be elected. Elections would run afterward in perpetuity.
- Provides a path to increasing homeownership.
- Financial capital can come from philanthropic donors, community foundations, neighborhood associations, city-owned properties.
- Focus on the working poor= people who work everyday but do not make enough money for an above-poverty existence and the jobless poor= people without jobs. Both can reside in the same household.
- Recommend: Affordable housing for sheltered homeless and other public sector workers, tandem housing and ADUs, Latino new urbanism, age-friendly affordable housing, and senior fitness parks.
- Possible to do a Community Land Trust (CLT) and a Housing Trust Fund (HTF). With a CLT, you focus on the land. With a HTF, you focus on the house.
- A CLT appeals to the Self-Help CDC.
- Land Trusts have been used by all N.C. major cities (Asheville, Chapel Hill, Charlotte, Durham, Wilmington).
- People are looking at buying these Self-Help properties and its better for the City to get in on these properties now before the market makes them unaffordable.

Chamber of Commerce:

- Economic development and commercial development coming to Rocky Mount.
- Importance of good housing.
- Job growth is important to increase the population.
- Rocky Mount cannot annex any more properties for expansion due to state law.

Definitions:

Accessory Dwelling Unit (ADU)- a smaller, independent residential dwelling unit located on the same lot as a stand-alone single-family home. ADUs go by many different names throughout the U.S., including accessory. ADUs can be converted portions of existing homes (i.e., internal ADUs), additions to new or existing homes (i.e. attached ADUs), or new stand-alone accessory structures or converted portions of existing stand-alone accessory structures (i.e., detached ADUs). Also known as granny flats.

Affordable Housing- household with annual income between 0% and 120% of area median income does not spend more.

Area Median Income (AMI)- refers to the midpoint of the income distribution for a specific geographic area, as defined by the U.S. Department of Housing and Urban Development (HUD) using data from the U.S. Census Bureau. HUD calculates AMI levels annually, with adjustments for household size. These AMI levels are frequently used to determine eligibility for housing assistance involving federal funds. For the purposes of HUD's AMI calculations, Rocky Mount is part of the Rocky Mount MSA.

Closing Costs- The closing costs are costs customarily chargeable to the buyer for items that are incidental to the transaction. These costs include the initial service charge of the mortgage, cost of title search, charges for the preparation of deed and mortgage documents, mortgage tax, recording fees, and similar items.

Community Development Block Grant (CDBG)- a federal program intended to strengthen communities by providing funds to improve housing, the living environment and economic opportunities for people who earn low and moderate income. If funds are spent to improve a single-family home, the home must be occupied by a low- or moderate-income

household, less than 80% of the AMI¹²⁷. In multifamily buildings, at least 51% of the units must be occupied by low- or moderate-income households¹²⁸. Funds may be used for the acquisition, construction, reconstruction, rehabilitation, or installation of public improvements or public facilities like new sewer lines, water mains, rail spurs, and highway access ramps¹²⁹.

Cost-Burdened- A household that spends more than 30% of their gross income on rent and utilities each month. If a household spends more than 50% of their gross income on rent and utilities each month, they are considered severely cost-burdened.

Deteriorated property- a structure that is unfit for human habitation or unsafe and can be repaired, altered, or improved to comply with all of the standards established in the Rocky Mount Housing Code at a cost not in excess of 40 percent of its value.

Dilapidated property- a structure unfit for human habitation or unsafe that cannot be repaired, altered, or improved to comply with all of the standards established in the Rocky Mount Housing Code at a cost in excess of 40 percent of its value. Such property is considered uninhabitable and a hazard to the health, safety, and welfare of the general public.

Down East HOME Consortium (DEHC)- an entity of local governments in Edgecombe and Nash Counties, working alongside their county's leadership to receive HOME program funding from the U.S. Department of Housing and Urban Development. The Consortium addresses housing, homeless and non-housing community development needs. Participation is voluntary and the more governments in agreement equals more funding to build and repair low-income housing. Originally formalized in 1996, membership then consisted of Bailey, Conetoe,

Dortches, Edgecombe County, Nash County, Nashville, Pinetops, Princeville, Sharpsburg, Spring Hope, Tarboro, Rocky Mount, Middlesex, and Whitakers. In recent years, Nashville, Tarboro and the Nash County Government have withdrawn from the HOME consortium agreement. The City of Rocky Mount serves as the lead authority for the DEHC.

Duplex- A dwelling that contains 2 separate living areas, any number of stories, which is detached from any other living units and is occupied by 2 families or individuals separately.

Eviction- An action to force a tenant with a written or oral lease to move from the premises where they reside.

Fair Market Rent (FMR)- According to 24 CFR 5.100, Fair Market Rent is the rent required to be paid in the particular housing market area in order to obtain privately owned, decent, safe and sanitary rental housing of modest (non-luxury) nature with suitable amenities. FMR includes all utilities except telephone. Separate FMRs will be established by the U.S. Department of Housing and Urban Development for dwelling units of varying sizes (number of bedrooms).

Foreclosure- The legal process by which a lender attempts to transfer the right of home ownership from the lender after the owner defaults on payment.

Formal Eviction- The legal process through which a landlord seeks to regain possession of a leased premises by concluding a tenant's right to occupy the premises as a result of the tenant violating terms of the lease agreement, holding over after the expiration of the lease or engaging in criminal activity.

Gentrification- A process in which the character of a poor urban area experiences an influx of middle-class or wealthier people moving in, renovating and rebuilding homes and businesses

resulting in increases in property values; but displacing the area's current inhabitants.

HOME Investment Partnerships Program (HOME)- the largest federal block grant program that provides funding dedicated exclusively to increasing the availability of adequate, affordable housing for low- and very low-income households¹³⁰. Eligible uses of funds include tenant-based rental assistance, housing rehabilitation, assistance to homebuyers, and new construction of housing. HOME funding may also be used for site acquisition, site improvements, demolition, relocation, and other necessary and reasonable activities related to the development of non-luxury housing. Funds may not be used for public housing development, public housing operating costs, or for Section 8 tenant-based assistance. For rental housing, at least 90% of the families benefited must have incomes at or below 60% of the AMI; the remaining 10% of the families benefited must have incomes at or below 80% of AMI. Homeownership assistance must be to families with incomes at or below 80% of AMI¹³¹.

Homeless (HUD Definition)- When an individual or household experiences literal homelessness, including sleeping in an emergency or seasonal shelter, transitional housing, or a place unfit for human habitation. According to HUD, doubled up and staying in a hotel/ motel (when the household is paying for the hotel/ motel) are not considered homeless.

Household- A household includes all the persons who occupy a housing unit as their usual place of residence.

Housing Unit- A housing unit is a house, an apartment, a group of rooms, or a single room occupied or intended for occupancy as separate living quarters. Separate living quarters are those in which the occupants do not live and eat with other persons in the structure and which have direct access from the outside of the building or through a common hall.

Informal Eviction- When the tenant is forced to move from their premises through methods other than the legal process (e.g., increasing rent substantially, landlord telling tenant they should/ must leave deferring maintenance).

Low-Income Housing Tax Credit (LIHTC)- A federal income tax credit for companies that invest in affordable rental housing meeting specific program guidelines. The LIHTC is the primary vehicle through which affordable rental housing is financed in the U.S. today. The LIHTC gives investors a dollar-for-dollar reduction in federal tax liability in exchange for providing the funding. Investors' equity contribution subsidizes low-income housing development, thus allowing some units to rent at below-market rates. In return, investors receive tax credits paid in annual allotments, generally over 10 years. Financed projects must meet eligibility requirements for at least 30 years after project completion.

Metropolitan Statistical Areas (MSAs)- an area that consists of one or more counties that contain a city of 50,000 or more inhabitants or contain a Census Bureau-defined urbanized area and have a total population of at least 100,000. Counties containing the principal concentration of population—the largest city and the surrounding densely settled area—are components of the MSA.

Minimum Wage- The current minimum wage for North Carolina is \$7.25 per hour¹³².

Mixed-Income- A term used to refer to a building or development that contains both affordable and market rate homes. The specific definition of affordable and market rate can vary, however, depending upon the location, project type and target population.

Moderate-Income- A household's annual income is between 81% and 120% of the area median income.

Multi-family housing- This type of housing is designed for many families to live on the property where each family only has exclusive use of the portion of the property (unit) they are leasing or own. Those units built one on top of another and those built side-by-side which do not share a ground-to-roof wall and/or have common facilities (i.e., attic, basement, heating plant, plumbing, etc.) **Example:** Apartments, condominiums, lofts, and co-ops

Nuisance per se- An act, occupation, or structure which is a nuisance at all times and under any circumstances, regardless of location or surroundings. **Example:** Uncut grass/ Unkept shrubbery

Off-Street Parking- Parking your vehicle anywhere but on the street. They usually include public parking facilities like garages or lots. They also include private lots, garages, and driveways.

On-Street Parking- Parking your vehicle on the street, anywhere on or along the curbs of streets. These restrictions are presented on traffic signs.

Payment-In-Lieu Funds- Developers can make a payment-in-lieu instead of building affordable units. These payments can only be used to further the goal of creating additional low to moderate income housing. The funds provide the town with an opportunity to develop and/or attract the type of project that can have a significant impact.

Persons of Low Income- Persons in households the annual income of which, adjusted for family size, is not more than sixty percent (60%) of the local area median income as defined by the most recent figures published by the U.S. Department of Housing and Urban Development.

Sheltered Homelessness- Type of homelessness in which people live in a supervised publicly or privately-operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, hotels

and motels paid for by charitable organizations or by federal, state or local government programs for low-income individuals). Projects classified as emergency shelter / seasonal housing and transitional housing are included within the sheltered count of the Point-In-Time Count and Housing Inventory Count.

Small related households- A household of two to four people, which includes at least one person related to the householder by blood, marriage or adoption.

Single-family home- A dwelling on a property designed to be occupied by only one family. In the case of attached units, each must be separated from the adjacent unit by a ground-to-roof wall in order to be classified as a single-family structure. Also, these units must not share heating/air-conditioning systems or utilities. Units built one on top of another and those built side-by-side that do not have a ground-to-roof wall and/or have common facilities (i.e., attic, basement, heating plant, plumbing, etc.) are not included in the single-family statistics.

Stable housing- A household is not spending more than 30% of their income on housing

expenses and the housing unit is not overcrowded or substandard.

Tiny Homes- Standalone cottages typically under 400 sq. feet.

Unaccompanied Youth- An individual who is not part of a family during their episode of homelessness and is between the ages of 18 and 24.

Unsheltered Homelessness- Type of homelessness in which people have a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings. It includes the street, parks, camps, vehicles, storage units and bridge underpasses.

Very Low-Income- A household's annual income is between 30% and 50% of the area median income.

Workforce Housing- A type of affordable housing that is affordable earning 60% to 120% of area median income.

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